



OFFICE OF THE CORPORATE SECRETARY

EXACT COPY OF RES. NO. 21 ADOPTED BY THE GSIS BOARD OF TRUSTEES IN ITS MEETING NO. 3 HELD ON 9 FEBRUARY 2021

Approval of the Policy and Procedural Guidelines on Handling of Claims with Decided Cases of Dismissal from the Service with Accessory Penalty of Forfeiture of Benefits¹

RESOLUTION NO. 21

WHEREAS, Office Order (OO) No. 304-16 dated 16 June 2016, as amended by OO No. 313-16 dated 16 September 2016, provides uniform procedures on handling claims of members dismissed from the service with accessory penalty of forfeiture of retirement benefits;

WHEREAS, there is a need for comprehensive guidelines on handling claims of members subject of the above-mentioned Office Orders to address issues such as the reckoning dates on computation of interest on loans granted prior to the date of decision on dismissal from the service, treatment of loan payments deducted from the forfeited benefits and corresponding imposition of interest, among others;

WHEREAS, the Corporate Governance Committee, in a memorandum dated 1 February 2021, endorsed for Board approval the proposed guidelines on handling claims of members dismissed from the service with accessory penalty of forfeiture of benefits recommended by the Acting Executive Vice President for Research, Innovation, and Strategic Advisory in his memorandum dated 17 December 2020

RESOLVED, to **APPROVE** and **CONFIRM** the Policy and Procedural Guidelines (PPG) on Handling of Claims with Decided Cases of Dismissal from the Service with Accessory Penalty of Forfeiture of Benefits;

¹ Classification: General Dissemination

CERTIFIED TRUE COPY


M.A. RUTH ALMIRA G. VASQUEZ
Records Officer
Office of the Corporate Secretary
26 February 2021

RESOLVED FURTHER, that OO No. 304-16
dated 16 June 2016 and OO No. 313-16 dated 16
September 2016 are hereby **SUPERSEDED**.

A copy of the above-mentioned PPG is made an
integral part of this Resolution.

CERTIFIED CORRECT:

ORIGINAL SIGNED
ATTY. LUZ VICTORIA F. REYES-MORANDO
Corporate Secretary

CONFIRMED:

ORIGINAL SIGNED
LUCAS P. BERSAMIN
Chairman

ORIGINAL SIGNED
ROLANDO L. MACASAET
Vice Chairman

ORIGINAL SIGNED
WILFREDO C. MALDIA
Trustee

ORIGINAL SIGNED
JOCELYN DE GUZMAN CABREZA
Trustee

ORIGINAL SIGNED
ALAN R. LUGA
Trustee

ORIGINAL SIGNED
NINA RICCI A. YNARES-CHIONGBIAN
Trustee

ORIGINAL SIGNED
ANTHONY B. SASIN
Trustee

ORIGINAL SIGNED
KAHAR H. MACASAYON
Trustee

ORIGINAL SIGNED
CARLO ANTONIO B. ALMIRANTE
Trustee

CERTIFIED TRUE COPY

M.A. RUTH ALMIRA G. VASQUEZ
Records Officer
Office of the Corporate Secretary
26 February 2021



GSIS Government Service Insurance System
Financial Center, Pasay City, Metro Manila 1308

POLICY AND PROCEDURAL GUIDELINES NO. ____

FUNCTIONAL AREA: CLAIMS

DISTRIBUTION: All Executive Vice Presidents
All Senior Vice Presidents
All Vice Presidents
All Managers
Operations Groups
Actuarial and Risk Management Group
Controller Group
Financial Management Group
Legal Services Group
Information Technology Services Group
Information Security Office
Corporate Services Group
Internal Audit Services Office
Corporate Communications Office
Risk Management Office
Office for Strategy Management

**SUBJECT MATTER: GUIDELINES IN HANDLING OF CLAIMS WITH
DECIDED CASES OF DISMISSAL FROM SERVICE
WITH ACCESSORY PENALTY OF FORFEITURE OF
BENEFITS**

I. BACKGROUND/RATIONALE

On 16 June 2016, Office Order (OO) No. 304-16 was issued to provide the Operating Units Concerned (OUCs) with uniform procedures in handling claims of members dismissed from service with accessory penalty of forfeiture of retirement benefits. However, in the course of its implementation, the procedural activity on cancellation of previously processed claim and corresponding reversal of posting in Collection and Disbursement (CD) and Consumer Mortgage Loan (CML) modules was found to pose financial risk. This activity essentially deletes the record of the paid claim leaving no reference for a future benefit claim.

On 05 August 2016, the Operations Group issued a Joint Advisory on the revised procedures on part D.2 of OO 304-16 specifically for previously paid claim/s to rectify the procedural flaw on the cancellation of the previous processed claim/s and reversal of corresponding CD and CML postings. On 16 September 2016, OO No. 313-16 on the Amendment of OO 304-16 was issued approving the procedures of the said Joint Advisory, effectively superseding Part D.2 of OO 304-16.

On 20 August 2019, the Operations Group requested the amendment of OO 304-16, in view of the Joint Advisory. Upon review of the Office for Strategy Management-Policies and Systems Department (OSM-PSD), it posited that the existence of OO 313-16 governing the requested amendment is already sufficient.

However, policy and procedural guidelines affecting the handling of claims of dismissed members with forfeiture of benefits have been issued over the years, which include reckoning dates on computation of interest on loans availed prior to date of decision on dismissal from service, treatment of loan payments deducted from the forfeited benefits and corresponding imposition of interest, among others. Thus, in consideration of the mentioned issuances and to provide comprehensive guidelines in handling claims of members with decided cases of dismissal from service with accessory penalty of forfeiture of benefits, this PPG is hereby issued.

II. OBJECTIVES

This PPG aims to:

- A. Provide clear-cut and comprehensive policy and procedural guidelines in the handling of claims of members with decided cases of dismissal from service with accessory penalty of forfeiture of benefits; and
- B. Ensure uniform interpretation and implementation of the policy by the OUCs.

III. POLICIES

A. COVERAGE

This PPG shall cover handling of claims of members with decided cases of dismissal from service with an accessory penalty of forfeiture of benefits by the following: Civil Service Commission (CSC), Ombudsman, or by other courts or entities, whereby the decision, even pending appeal, is immediately executory.

B. DECISIONS CONSIDERED AS IMMEDIATELY EXECUTORY

The following rendered decisions¹ shall be considered immediately executory:

1. CSC Decision rendered by its Regional Offices will only be considered executory if the same has already been affirmed by CSC Central Office². On the other hand, decisions of the Commission proper shall be immediately executory unless a Motion for Reconsideration (MR) is

¹ Whereby no restraining order enjoining the immediate execution of such decision is received by the GSIS.

² Section 69, 2017 Rules on Administrative Cases in the Civil Service (2017 RACCS), 03 July 2017.

seasonably³ filed, in which case, the execution of the decision shall be held in abeyance;

2. Decision of heads of agencies is immediately executory even though there is an appeal to CSC⁴;
3. Decision of disciplining authorities in departments (DENR, DILG, etc.) is not immediately executory unless confirmed by the Secretary concerned⁵;
4. Decision of the Office of the President with regard to presidential appointees is immediately executory;
5. Decision of the Ombudsman in administrative cases is immediately executory notwithstanding the filing of an MR or Appeal; and
6. Decision of court in criminal case wherein the penalty is at least *prision mayor*⁶ (imprisonment of 6 years and 1 day to 12 years) will be final and executory if no Appeal/MR is interposed within the reglementary period of 15 days.

The subject Decisions under Section III.B.1 to 4 herein are immediately executory unless an MR was seasonably filed thereto.

C. ENTITLEMENT OF MEMBERS DISMISSED FROM SERVICE

A member dismissed from the service for cause shall be entitled to the following:

1. Fifty percent (50%) of his or her Cash Surrender Value (CSV) or Termination Value (TV)⁷; and
2. Refund of his or her retirement premium contributions [personal share (PS) only] plus interest of three percent (3%) per annum compounded monthly.⁸

In case the dismissed employee is granted executive clemency or pardon, he or she shall be entitled to the forfeited retirement or separation benefits only

³ Within the appropriate time period during which an action will be legally effective, as prescribed in the decision.

⁴ Section 66, 2017 RACCS, 03 July 2017.

⁵ Ibid.

⁶ The penalty of *prision mayor* carries with it the accessory penalty of forfeiture of retirement benefit under the Revised Penal Code (Article 30 and 42, The Revised Penal Code, 1930)

⁷ Section 9, Commonwealth Act No. 186, xxx *Upon dismissal for a cause of a member of the System, the benefits under his membership policy shall be automatically forfeited to the System, except one-half of the cash surrender value, which amount shall be paid to such member...*

⁸ Section 8, R.A. 660, xxx (d) *Upon dismissal for cause or on voluntary separation, he/she shall be entitled only to his own premiums and voluntary deposits, if any, plus interest of 3% pacm.*

when specifically stated or expressed in the grant of executive clemency or pardon.

D. FORFEITURE OF BENEFITS OF DISMISSED MEMBERS

The retirement or separation benefits of dismissed members shall be forfeited in accordance with the following scenarios:

	SCENARIO	FORFEITED BENEFITS
1.	Member served under one agency: a. Continuous or with gap in service; and b. No filed claim.	Entire benefits for the entire services rendered.
2.	Member served under two or more agencies prior to decision of dismissal: A. First scenario: a. With no gap in service/continuous service; b. No filed claim; and c. With at least three (3) years of service prior to commission of offense. B. Second scenario: a. With gap in service; b. No filed claim; and c. With at least three (3) years of service prior to commission of offense. C. Third scenario: a. With gap in service; b. With cancelled claim (as future payee) due to request for tacking-in of service; and c. With at least three (3) years of service prior to commission of offense. D. Fourth Scenario: a. With filed separation claim (future payee); and b. With subsequent employment/s.	Entire benefits for services rendered in the agency where the offense was committed up to the last employment However, the member shall be allowed to file separation or retirement benefit claim, as applicable, for the employment period/s prior to commission of offense. Upon receipt of proof that the decision is already final/executory, the Claims Unit-Frontline Services Division (FSD) shall inform the member that he or she may file his or her claim.
3.	Member served under one or more agencies: a. Has retired or separated and has been paid benefits; b. Was subsequently re-employed (as a new-entrant); and c. With a decision of dismissal on an offense committed during his or	Entire benefits for services rendered for the first and subsequent employment/s

	her first employment.	
f4. t h e d e	Member served under one or more agencies: a. Has retired or separated and has been paid benefits; b. Was subsequently re-employed (as a new-entrant); and c. With a decision of dismissal on an offense committed during re-employment.	Entire benefits for services rendered from the period of re-employment up to the last employment

If the decision for dismissal can no longer be implemented because the member is no longer in service and the alternative penalty of FINE is imposed, such fine shall not be deducted from the proceeds of the entitlement. However, the penalty of forfeiture of benefits shall remain and shall be handled in accordance with the policies herein set forth.

E. PROCESSING OF CLAIMS OF DISMISSED MEMBERS

The following guidelines shall be observed in the processing of claims of dismissed members:

1. NO PROCESSED AND PAID CLAIM AS OF DATE OF DECISION

- a. The outstanding balances of service loan (excluding Housing Loans), premium in arrears (PS only for CSV, none for TV⁹) as applicable, as of date of decision shall be deducted from the proceeds of the entitlement as provided under Section III.C.
- b. The net proceeds, if any, shall be paid to the dismissed member.
- c. Should the proceeds be insufficient to cover the deductions, the OUC shall collect the deficit in accordance with the existing policy on collection of outstanding service loan balances of inactive member.

2. WITH PREVIOUSLY PROCESSED AND PAID CLAIM AS OF DATE OF DECISION

The OUC shall:

- a. Immediately stop the disbursement of pension if the member is a pensioner, or disbursement of any other benefits payable to the member, if any;

⁹ There will be no premium in arrears for TV since the cash value of the life insurance policy is computed based on the amount of life insurance premiums actually remitted to GSIS.

- b. Inform the member or pensioner that the GSIS received a copy of the Decision dismissing him or her from the service, and as a result, the GSIS recomputed his or her previously paid retirement benefit, as well as other benefits, if any;
- c. The following shall be recovered from the member:
 - 1) 50 percent of CSV/TV;
 - 2) Gross amount of retirement or separation benefit, including pension, if any;
 - 3) OBAL of Pension Loan, if any, as of date of the decision;
 - 4) OBAL of CLASP, if any, as of date of the decision; and
 - 5) OBAL of service loans, if any, if the dismissed member's retirement benefit resulted in ZERO proceeds, as of date of processing of retirement benefit.
- d. Provide the dismissed member a collection letter (CL) with a detailed statement of account (SOA) and computation of deficit (entitlement under Section III.C less amount to be recovered under Section III.E.2.c), through personal service, registered mail, electronic mail, and/or courier service, demanding the return of the forfeited retirement benefit and payment of outstanding loan balances, if any, within 30 calendar days from receipt of the demand.

The interest rate to be charged to the account of the dismissed member shall be as follows:

Account	Interest Rate to be Applied	Covered Period for Imposition of Interest
Gross amount of retirement/separation benefit, including pension, if any	Legal interest rate of 6% per annum	Date of the decision until date of full return of the benefit
OBAL of Pension Loan and CLASP	12% interest per annum compounded monthly (pacm) and 6% surcharge pacm	Date of the decision until fully paid
OBAL of service loans	12% interest pacm and 6% surcharge pacm	Date following the date of processing of retirement/separation benefit until fully paid

- e. Refer the matter to the LSG for preparation of final demand letter and legal action, following applicable policies, in case of failure to settle the deficit amount within 30 calendar days from receipt of the CL.

3. DISMISSED MEMBER IS A FUTURE PAYEE

For the period of employment not covered by the penalty of forfeiture of benefits, all benefits of a future payee shall be processed and paid in accordance with existing policies of the GSIS. Any deficit arising from the forfeited benefit shall be deducted from the proceeds of the future benefit when it falls due.

For subsequent periods of employment, if any, covered by the penalty of forfeiture of benefits, the policies under Sections III.E.1 and E.2 shall be followed, as applicable.

4. DEATH OF MEMBER DISMISSED FROM SERVICE

a. For members who died without processed and paid claim:

- 1) The policies under Section III.E.1.a shall apply. The net proceeds, if any, shall be paid to the legal heirs.

However, if the date of death precedes the date of the decision, the Loan Redemption Insurance (LRI) shall cover for the OBAL of Pension Loan, CLASP and service loans, if any, following applicable rules on LRI and the same shall not be collected.

- 2) In case of deficit, the OUC shall inform the legal heirs of the collectible (through a CL) and the basis thereof, and the need to settle such collectible within 30 calendar days from receipt of the demand.
- 3) If no payment is received within the prescribed period, the OUCs shall provide the LSG, apart from a SOA of the amounts due from the deceased member's account, a discussion on the basis for the collection and a breakdown of the collectibles as the LSG's basis for legal action.

b. For members who died with previously processed and paid claim, the OUC shall:

- 1) Immediately stop the disbursement of:

- a) Old-age pension if the deceased member is a pensioner;
- b) Survivorship pension of legal heir/s, if any; and/or
- c) Funeral benefit and Death benefit, if not yet paid.

- 2) Inform the legal heir/s that the GSIS received a copy of the decision dismissing the member from the service, and as a result, the GSIS recomputed his or her previously paid retirement benefit, as well as other benefits, if any;

3) The following shall be recovered from the member:

- a) Gross amount of retirement or separation benefit, including survivorship benefit and pension of legal heirs, if any;
- b) Gross amount of funeral benefit and death benefit, if any;
- c) 50 percent of CSV/TV;
- d) OBAL of Pension Loan, if any, as of date of the decision;
- e) OBAL of CLASP, if any, as of date of the decision; and
- f) OBAL of service loans, if any, if the dismissed member's retirement benefit resulted in ZERO proceeds, as of date of processing of retirement benefit.

However, if the date of death precedes the date of the decision, the LRI shall cover for the OBAL of Pension Loan, CLASP and service loans, if any, following applicable rules on LRI and the same shall not be collected.

- 4) In case of deficit, the OUC shall inform the legal heirs of the collectible (through a CL) and the basis thereof, and the need to settle such collectible within 30 calendar days from receipt of the demand.
- 5) If no payment is received within the prescribed period, the OUCs shall provide the LSG, apart from a SOA of the amounts due from the deceased member's account, a discussion on the basis for the collection and a breakdown of the collectibles as the LSG's basis for legal action.
- 6) The interest rate to be charged to the account of the deceased dismissed member or his or her legal heirs, as applicable, shall be as follows:

Account	Interest Rate to be Applied	Covered Period for Imposition of Interest
Gross amount of retirement/separation benefit, including survivorship benefit and pension of legal heirs, funeral and death benefits, if any	Legal interest rate of 6% per annum	Date of the decision or date of death, whichever is earlier, until date of full return of the benefit by the legal heirs
OBAL of Pension Loan and CLASP	12% interest pacm and 6% surcharge pacm	Date of the decision or date of death, whichever is earlier, until fully paid

Account	Interest Rate to be Applied	Covered Period for Imposition of Interest
OBAL of service loans	12% interest pacm and 6% surcharge pacm	Date following the date of processing of retirement benefit or date of death, whichever is earlier, until fully paid

5. REVERSAL OF THE DECISION OF DISMISSAL FROM SERVICE

In the event that the decision dismissing the member is reversed or modified with finality:

a. NO PROCESSED CLAIM UPON RECEIPT OF ENTRY OF JUDGMENT

All benefit entitlements of the member shall be processed and paid in accordance with existing policies of the GSIS.

b. WITH PREVIOUSLY PROCESSED AND PAID CLAIM UPON RECEIPT OF ENTRY OF JUDGMENT

The OUC shall recompute the benefit of the member and shall:

- 1) Restore all benefits the member is entitled to;
- 2) Refund all excess payments, if any; and
- 3) In case of deficit, collect the deficiency through pension deduction, if applicable.

To determine the correct OBAL to be used in the recomputation of benefits, the existing policy on reckoning dates in the accrual of interests for service loans shall apply.

F. MONITORING OF EXECUTORY DECISIONS ON PENDING CASES

The Executive Vice President – Core Business Sector shall ensure that executory decisions on cases which are still pending, particularly cases of members who have already been paid their benefits by the GSIS, including reversal of decisions are monitored.

G. MONITORING OF COLLECTION FROM DISMISSED MEMBERS

1. The Monitoring Team created pursuant to the existing policy on collection of outstanding service loan balances of inactive member shall likewise monitor collection from dismissed members.

2. The Monitoring Team shall utilize the existing module in SAP for proper monitoring of collection of amounts due from dismissed members.
3. A quarterly status report on collection from dismissed members shall be submitted by the Monitoring Team through channels to the Office of the President and General Manager.

H. METHOD OF PAYMENT

1. Disbursements arising out of this PPG shall be paid through eCrediting for those with activated eCards or UMID cards, or through check for those without eCards or UMID cards (e.g., inactive members or those who are not members of the GSIS).
2. For amounts to be collected from the dismissed member, the method of payment shall be in accordance with the existing policy on collection of outstanding service loan balances of inactive member or policies on collection through legal action, as applicable.

I. APPLICATION OF PAYMENT

The order of priority for the application of any payment received from the dismissed member or his or her legal heirs, as applicable, shall be as follows:

1. For Benefit/s including pension/s:
 - a. Interest
 - b. Retirement/separation benefit
 - c. CSV/TV
 - d. Old-age pension, if any
 - e. Survivorship benefit of legal heirs, if any
 - f. Survivorship pension of legal heirs, if any
 - g. Death benefit, if any
 - h. Funeral benefit, if any
2. For Loans:
 - a. Surcharge
 - b. Interest
 - c. Principal Amount

IV. PROCEDURES

The detailed procedures to be included in the Manual of Operations of the OUCs shall adhere to the following general guidelines:

A. NO PROCESSED AND PAID CLAIM AS OF DATE OF DECISION OF DISMISSAL FROM SERVICE

ACTIVITY	RESPONSIBLE UNIT
<p>1. Receive copy of the decision of dismissal (<i>referred by higher offices or the receiving branch office</i>) and/or details of dismissal in Form D sent by the AAO concerned. Create TMS. Update tag status of the member to "Dismissed".</p> <p>Inform the OUC of the decision and the tagging done. Forward TMS to Central Receiver.</p>	<p>Manager, Membership Department (MD) concerned</p>
<p>2. Distribute transaction to division concerned according to their respective work load.</p>	<p>Central Receiver</p>
<p>3. Check if with loan account/s.</p> <p>A. If no loan account/s</p> <p>1) Request member to file application for CSV/TV and Member's Request Form (MRF) for refund of premiums.</p> <p>2) Upon receipt of application, forward to AMD for reconciliation.</p>	<p>FSD</p>
<p>3) Reconcile life premiums. Forward TMS to FSD for processing of CSV.</p> <p>4) Compute PS component of Retirement Premiums, plus interest of 3% pacm. Set-up refund items. Forward TMS to FSD.</p>	<p>AMD/BCRD</p>
<p>5) Process 50% of the CSV/TV (using SAP-CPAS).</p> <p>6) Facilitate payment of entitlement.</p>	<p>FSD</p>
<p>B. If with loan account/s:</p> <p>1) Reconcile life premiums. Forward TMS to FSD for computation of 50% CSV/TV.</p>	<p>AMD/BCRD</p>
<p>2) Compute the 50% CSV/TV. Forward computation to AMD/BCRD.</p>	<p>FSD</p>

ACTIVITY	RESPONSIBLE UNIT
3) Reconcile loan account/s to determine outstanding balance (OBAL). 4) Compute PS component of Retirement Premiums, plus interest of 3% pacm. 5) Prepare SOA showing computation of entitlement and OBAL and informing member to file CSV/TV claim and refund of premiums. Send SOA to the member concerned. Close TMS.	AMD/BCRD
6) Receive CSV/TV claim application and Member's Request Form (MRF) for refund of premiums from the member. Create TMS and forward to Central Receiver. 7) Distribute transaction to division concerned according to their respective work load. If entitlement > OBAL: 8) Set-up 50% of the CSV/TV, PS component of Retirement Premiums, plus interest of 3% pacm, and OBAL of all loans. Forward TMS to FSD.	Frontline personnel Central Receiver AMD/BCRD
9) Process 50% of the CSV/TV (using SAP CPAS). 10) Facilitate payment of entitlement.	FSD
If entitlement = OBAL: 11) Set-up 50% of the CSV/TV, PS component of Retirement Premiums, plus interest of 3% pacm, and OBAL of all loans. 12) Prepare and send letter to the member informing him or her that the amount of entitlement is equal to the OBAL of his or her loan/s, and that the latter shall be deducted from the entitlement resulting in the full payment of his or her loan account/s. Close TMS.	AMD/BCRD
If entitlement < OBAL: 13) Set-up 50% of the CSV/TV, PS component of Retirement Premiums, plus interest of 3% pacm, and OBAL of all loans.	AMD/BCRD

ACTIVITY	RESPONSIBLE UNIT
<p>14) Prepare and send Collection Letter (Annex A) to the member requiring him or her to pay the deficit/collectibles within 30 calendar days from receipt of CL. Close TMS.</p> <p>15) Monitor payment of the dismissed member.</p> <p>a. If payment is received within the prescribed period, end of process.</p> <p>b. If payment is not received within the prescribed period, prepare Final Demand Letter (FDL) (Annex B) and send to dismissed member requiring him or her to pay the deficit/collectibles within 30 calendar days from receipt of FDL.</p> <ul style="list-style-type: none"> • If payment is received within the prescribed period, end of process. • If payment is not received within the prescribed period, update SOA, prepare Notice of Endorsement to Collection Agency (NECA) (Annex C) and send to the dismissed member. <p>16) Monitor payments received due to efforts of accredited collection agency. Comply with reportorial requirements and update monitoring tool.</p>	Monitoring Team
End of Process	

B. WITH PREVIOUSLY PROCESSED AND PAID CLAIM AS OF DATE OF DECISION OF DISMISSAL FROM SERVICE

	ACTIVITY	RESPONSIBLE UNIT
1.	<p>Receive copy of the decision of dismissal (<i>referred by higher offices or the receiving branch office</i>) and/or details of dismissal in Form D sent by the AAO concerned. Create TMS. Update tag status of the member to "Dismissed". If already a pensioner, tag the pension record as "Suspended".</p> <p>Inform the OUC of the decision and the tagging done. Forward TMS to Central Receiver.</p>	Manager, MD concerned
2.	Distribute transaction to division concerned according	Central

	ACTIVITY	RESPONSIBLE UNIT
	to their respective workload.	Receiver
3.	<p>Prepare Certified Notice to Create Open Item (CNCOI) and request AMD/BCRD to set-up the following receivables:</p> <ul style="list-style-type: none"> • Gross amount of all previously paid benefits; and • 50% of the gross amount of CSV/TV. <p>Check if with loan account/s deducted from previously processed and paid claim/s and if with paid pension (both old-age and survivorship pension):</p> <p>a. If with loan account/s deducted and with paid pension, compute for pension overpayment and prepare a CNCOI containing the total pension overpayment for setting up as receivable. Refer to AMD/BCRD. Proceed to Activity 5.</p> <p>b. If with loan account/s deducted but no paid pension, refer to AMD/BCRD. Proceed to Activity 5.</p> <p>c. If no loan account/s deducted but with paid pension, proceed to Activity 4.</p> <p>d. If no loan account/s deducted and no paid pension, refer to AMD/BCRD. Proceed to Activity 6.</p>	FSD
4.	<p>Compute for pension overpayment. Refer to AMD/BCRD a CNCOI containing the total pension overpayment for setting up as receivable. Proceed to Activity 6.</p>	
5.	<p>Reconcile and determine OBAL of the loan account/s ensuring that any amount deducted from the paid claim is posted.</p> <p>If not fully paid after reconciliation, prepare and consolidate SOAs. Facilitate approval of the SOAs.</p> <p>Determine the PS Component of Retirement Premiums, plus interest of 3% pacm.</p>	AMD/BCRD
6.	<p>Set-up the following as receivables:</p> <ul style="list-style-type: none"> • Gross amount of all previously paid benefits; • 50% of the gross amount of CSV/TV; and • Pension overpayment, if any. 	

	ACTIVITY	RESPONSIBLE UNIT
	<p><i>Note: The set-up of pension overpayment is done at the deceased member-pensioner's account, even if the recovery of pension overpayment is from his or her survivors.</i></p> <p>Set-up as credit items the PS component of Retirement Premiums, plus interest 3% pacm.</p>	
7.	<p>Clear the created credit items with the created debit items in the following order:</p> <ul style="list-style-type: none"> • Pension overpayment, if any • Previously paid claim, if any • OBAL of loan accounts, if any 	
8.	<p>Prepare and send Collection Letter (Annex D) to the member requiring him or her to pay the deficit/collectibles within 30 calendar days from receipt of CL. Close TMS.</p>	
9.	<p>Monitor payment of the dismissed member.</p> <p>a. If payment is received within the prescribed period, end of process.</p> <p>b. If payment is not received within the prescribed period, refer to LSG for preparation of FDL.</p> <ul style="list-style-type: none"> • If payment is received within the prescribed period, end of process. • If payment is not received within the prescribed period, refer to LSG, through channels, for legal action. 	
10.	Undertake legal action.	LSG
<i>End of Process</i>		

C. DECISION OF DISMISSAL WAS REVERSED

	ACTIVITY	RESPONSIBLE UNIT
1.	<p>Receive copy of the decision of reversal and Final Entry of Judgment (<i>referred by higher offices or the receiving branch office</i>) and/or details of reversal of decision in Form D sent by the AAO concerned. Create TMS.</p>	<p>Manager, MD Concerned</p>

	ACTIVITY	RESPONSIBLE UNIT
	Update tagging from "Dismissed" to "Retired" or "Separated" or lift tagging for reinstated employees, as the case may be. Inform OUC of the decision and the tagging done. Forward TMS to Central Receiver.	
2.	Distribute transaction to division concerned according to their respective workload.	Central Receiver
3.	Process transaction and adjudicate entitlement to benefits. a. If without previously processed claim, facilitate processing of benefits in accordance with existing policies. (End of Process) b. If with previously processed and paid claim, refer to AMD/BCRD. Proceed to Activity 4.	FSD
4.	Re-compute the benefits of the member based on existing policies on processing of retirement, separation, survivorship, pension, CSV/TV and death claim, and accrual of interest for service loans.	AMD/BCRD
5.	Set up refund. Forward to FSD.	AMD/BCRD
6.	Facilitate payment of restored benefits and refund of excess payments, if any.	FSD
<i>End of Process</i>		

V. DATA AND SYSTEM REQUIREMENTS

- A. The Controller Group shall provide the proper accounting entries to record all transactions contained in this PPG.
- B. The Information Technology Services Group shall provide the necessary computer services support and automation enhancements that will efficiently and effectively implement this PPG. For this purpose, the OUCs shall submit the consolidated user requirements as basis for establishing the systems requirements and timeline for the completion thereof.

VI. DATA PRIVACY CLAUSE

The Operating Units Concerned shall ensure that the creation and collection, storage and transmittal, use and distribution, retention, as well as disposal and

destruction of the personal and sensitive personal data of members, pensioners and other stakeholder, as required by this PPG, adhere to the requirements of the Data Privacy Act.

VII. INFORMATION DISSEMINATION

The Corporate Communications Office shall prepare the necessary information materials for the dissemination of this PPG.

A Memorandum Circular (**Annex E**) shall be issued to inform the members of the policies herein set forth.

VIII. REPEALING CLAUSE

This PPG shall supersede OO Nos. 304-16 and 313-16. Other minor formal amendments and/or revisions that pertain to style, language or numbering and which do not relate to the substance of this PPG are herein amended accordingly.

IX. EFFECTIVITY CLAUSE

This PPG shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

ROLANDO L. MACASAET

President and General Manager

Date Signed: _____

Annex A



GSIS Government Service Insurance System
Financial Center, Pasay City, Metro Manila 1308

OPERATIONS GROUP

BRANCH OFFICE

WITH NO PREVIOUSLY
PROCESSED CLAIM

(DATE)

(NAME OF DISMISSED MEMBER)

Address 1

Address 2

COLLECTION LETTER

Dear Mr./Ms. _____:

We have received a copy of the Decision dated <date of decision> from (Agency/Court) under case number _____, the dispositive portion of which reads as follows:

(copy the dispositive portion of the decision, stating the penalty imposed)

Accordingly, we have effected the necessary reconciliation and computation of the refund of 50% of the Cash Surrender Value (CSV) or Termination Value (TV) of your Life Insurance Policy as well as the refund of your Personal Share-Retirement (PS-Ret) contribution with three percent (3%) interest per annum compounded monthly as follows:

A. Computation of CSV/TV Entitlement:

GROSS AMOUNT OF CSV/TV		XX,XXX.XX
Less:		
50% CSV/TV	XX,XXX.XX	
TOTAL Entitlement for CSV/TV component		XX,XXX.XX

B. Statement of Account reflecting all obligations

PS Ret Refund		XX,XXX.XX
3% Interest pacm		XX,XXX.XX
CSV/TV Entitlement under item A		XX,XXX.XX
Total Entitlement		XX,XXX.XX
Less:		
Deficit on 50% CSV/TV (if any)	XX,XXX.XX	
Remaining OBAL of CNL, EML and other loans (if any) (loans to be presented separately)	XX,XXX.XX	
<i>Principal</i>	XX,XXX.XX	
<i>Interest</i>	XX,XXX.XX	
<i>Surcharge</i>	XX,XXX.XX	
Total Outstanding Balance as of _____		XX,XXX.XX

Pursuant to our existing policies, unpaid loans of members dismissed from the service shall be collected and shall be charged with 12% interest per annum compounded monthly and 6% surcharge per annum compounded monthly until fully paid.

Please settle your outstanding balance within thirty (30) calendar days from receipt of this Collection Letter, otherwise, we shall refer the matter to our Legal Services Group for appropriate legal action. We will also be constrained to refer your account to the Credit Information Corporation (CIC).

You may get in touch with Mr./Ms. _____ at 09____-_____;
0____-_____ on or before _____ or visit your nearest GSIS Branch Office.

We trust that you will give this matter your preferential attention.

Very truly yours,

Department/Branch Manager

212344

Annex B



GSIS Government Service Insurance System
Financial Center, Pasay City, Metro Manila 1308

OPERATIONS GROUP
BRANCH OFFICE

(DATE)

(NAME OF DISMISSED MEMBER)

Address 1

Address 2

FINAL DEMAND LETTER

Dear Mr./Ms. _____:

Our records show that despite our Collection Letter (CL) of _____, you still failed to settle your total obligation now totaling Php _____.

Below is the Statement of Accounts detailing the balances of your loans as of _____.

Loan Type	Date Granted	Account No.	Principal	Interests	Surcharges	Outstanding Balance*

*excluding interests and surcharges that shall accrue after the date of this Final Demand Letter up to the date of actual payment.

Please consider this as our final demand to pay your total obligation within thirty (30) calendar days from receipt hereof, otherwise, we will refer your account to our Legal Services Group for appropriate legal action.

If you have questions or concerns, please coordinate with Mr./Ms. _____ at 09_____-_____; 0_____-_____ on or before _____ or visit your nearest GSIS Branch Office.

Very truly yours,

Department Manager/Branch Manager

Annex C



GSIS Government Service Insurance System
Financial Center, Pasay City, Metro Manila 1308

OPERATIONS GROUP
BRANCH OFFICE

(DATE)

(NAME OF DISMISSED MEMBER)

Address 1

Address 2

NOTICE OF ENDORSEMENT TO COLLECTION AGENCY

Dear Mr./Ms. _____:

Our records show that despite our Final Demand Letter (FDL) of _____, you still failed to settle your total obligation now amounting to Php _____.

Below is the Statement of Accounts detailing the balances of your loans as of _____.

Loan Type	Date Granted	Account No.	Principal	Interests	Surcharges	Outstanding Balance*

*excluding interests and surcharges that shall accrue after date of this Notice up to the date of actual payment

Accordingly, we will endorse your account to the following Accredited Collection Agency (ACA) for collection within seven (7) calendar days after mailing of this Notice.

Name of ACA: _____ Office Address: _____
Contact No.: _____

If you have questions or concerns, please coordinate with Mr./Ms. _____
at 09_____-_____ or 0_____-_____.

Very truly yours,

DEPARTMENT/BRANCH MANAGER

Annex D



GSIS Government Service Insurance System
Financial Center, Pasay City, Metro Manila 1308

OPERATIONS GROUP
BRANCH OFFICE

WITH PREVIOUSLY
PROCESSED PAID
CLAIM

(DATE)

(NAME OF DISMISSED MEMBER)

Address 1

Address 2

COLLECTION LETTER

Dear Mr./Ms. _____:

We have received a copy of the Decision dated <date of decision> from (Agency/Court) under case number _____, the dispositive portion of which reads as follows:

(copy the dispositive portion of the decision, stating the penalty imposed)

Accordingly, we have effected the necessary reconciliation and recomputation of your entitlement as follows:

A. Computation of 50% CSV/TV:

GROSS AMOUNT OF CSV/TV		xx,xxx.xx
Less:		
50% CSV/TV	xx,xxx.xx	
TOTAL Collectible Amount		xx,xxx.xx

B. Statement of Account reflecting all obligations

PS Ret Refund		xx,xxx.xx
3% Interest pacm		xx,xxx.xx
Total Entitlement		xx,xxx.xx
Less:		
OBAL of CNL, EML and other loans, if any (loans to be presented separately)	xx,xxx.xx	
Principal	xx,xxx.xx	
Interest	xx,xxx.xx	
Surcharge	xx,xxx.xx	
Gross Amount of retirement or separation benefit, including pension, if any	xx,xxx.xx	
TOTAL Collectible Amount		xx,xxx.xx

Hence, your total obligation as of _____ amounts to Php _____
(Total Collectible Amount under A + Total Collectible Amount under B).

In accordance with our existing policies, unpaid loans and/or forfeited benefits of members who have been dismissed from the service shall be collected and shall be charged, until fully paid, as follows:

Account	Interest	Surcharge
OBAL on Loan Accounts	12% per annum compounded monthly (pacm)	6% pacm
Benefits: (kindly indicate the transaction whether Retirement/Separation, CSV/TV, etc.)	6%	None

Please settle your total obligation within thirty (30) calendar days from receipt of this Collection Letter, otherwise, we will refer the matter to our Legal Services Group for appropriate legal action. We will also be constrained to refer your account to the Credit Information Corporation (CIC).

You may get in touch with Mr./Ms. _____ at 09_____-_____; 0_____-_____
on or before _____ or visit your nearest GSIS Branch Office.

We trust that you will give this matter your preferential attention.

Very truly yours,

DEPARTMENT/BRANCH MANAGER



PASEGURUHAN NG MGA NAGLILINGKOD SA PAMAHALAAN
(GOVERNMENT SERVICE INSURANCE SYSTEM)
Financial Center, Pasay City, Metro Manila 1308

GSIS Memorandum Circular No. _____ Series of 2020

TO : HEADS OF CONSTITUTIONAL BODIES; BUREAUS AND AGENCIES OF THE NATIONAL GOVERNMENT; LOCAL GOVERNMENT UNITS; GOVERNMENT OWNED OR CONTROLLED CORP.; STATE UNIVERSITIES AND COLLEGES; AND ALL OTHERS CONCERNED

SUBJECT : GUIDELINES IN HANDLING OF CLAIMS WITH DECIDED CASES OF DISMISSAL FROM SERVICE WITH ACCESSORY PENALTY OF FORFEITURE OF BENEFITS

Pursuant to Board Resolution No. ___ dated _____ approving Policy and Procedural Guidelines (PPG) No. _____ on the Guidelines in Handling of Claims with Decided Cases of Dismissal from Service with an Accessory Penalty of Forfeiture of Benefits dated _____ 2020, the GSIS approved the following guidelines:

A. COVERAGE

The Guidelines shall cover handling of claims of members with decided cases of dismissal from service with an accessory penalty of forfeiture of benefits by the following: Civil Service Commission (CSC), Ombudsman, or by other courts or entities, whereby the decision, even pending appeal, is immediately executory.

B. DECISIONS CONSIDERED AS IMMEDIATELY EXECUTORY

The following rendered decisions¹ shall be considered immediately executory:

1. CSC Decision rendered by its Regional Offices will only be considered executory if the same has already been affirmed by CSC Central Office². On the other hand, decisions of the Commission proper shall be immediately executory unless a Motion for Reconsideration (MR) is seasonably³ filed, in which case, the execution of the decision shall be held in abeyance;
2. Decision of heads of agencies is immediately executory even though there is an appeal to CSC⁴;
3. Decision of disciplining authorities in departments (DENR, DILG, etc.) is not immediately executory unless confirmed by the Secretary concerned⁵;

¹ Whereby no restraining order enjoining the immediate execution of such decision is received by the GSIS.

² Section 69, 2017 Rules on Administrative Cases in the Civil Service (2017 RACCS), 03 July 2017.

³ Within the appropriate time period during which an action will be legally effective, as prescribed in the decision.

⁴ Section 66, 2017 RACCS, 03 July 2017.

⁵ Ibid.

4. Decision of the Office of the President with regard to presidential appointees is immediately executory;
5. Decision of the Ombudsman in administrative cases is immediately executory notwithstanding the filing of an MR or Appeal; and
6. Decision of court in criminal case wherein the penalty is at least *prison mayor*⁶ (imprisonment of 6 years and 1 day to 12 years) will be final and executory if no Appeal/MR is interposed within the reglementary period of 15 days.

The subject Decisions under Section B.1 to 4 herein are immediately executory unless an MR was seasonably filed thereto.

C. ENTITLEMENT OF MEMBERS DISMISSED FROM SERVICE

A member dismissed from the service for cause shall be entitled to the following:

1. Fifty percent (50%) of his or her Cash Surrender Value (CSV) or Termination Value (TV)⁷; and
2. Refund of his or her retirement premium contributions [personal share (PS) only] plus interest of three percent (3%) per annum compounded monthly.⁸

In case the dismissed employee is granted executive clemency or pardon, he or she shall be entitled to the forfeited retirement or separation benefits only when specifically stated or expressed in the grant of executive clemency or pardon.

D. FORFEITURE OF BENEFITS OF DISMISSED MEMBERS

The retirement or separation benefits of dismissed members shall be forfeited in accordance with the following scenarios:

	SCENARIO	FORFEITED BENEFITS
1.	Member served under one agency: a. Continuous or with gap in service; and b. No filed claim.	Entire benefits for the entire services rendered.
2.	Member served under two or more agencies prior to decision of dismissal: A. First scenario: a. With no gap in service/continuous service;	Entire benefits for services rendered in the agency where the offense was committed up to the last employment. However, the member shall be allowed to file separation or retirement benefit claim, as applicable, for the employment

⁶ The penalty of prison mayor carries with it the accessory penalty of forfeiture of retirement benefit under the Revised Penal Code (Article 30 and 42, The Revised Penal Code, 1930)

⁷ Section 9, Commonwealth Act No. 186, xxx *Upon dismissal for a cause of a member of the System, the benefits under his membership policy shall be automatically forfeited to the System, except one-half of the cash surrender value, which amount shall be paid to such member...*

⁸ Section 8, R.A. 660, xxx (d) *Upon dismissal for cause or on voluntary separation, he/she shall be entitled only to his own premiums and voluntary deposits, if any, plus interest of 3% p.a.m.*

	SCENARIO	FORFEITED BENEFITS
	<ul style="list-style-type: none"> b. No filed claim; and c. With at least three (3) years of service prior to commission of offense. <p>B. Second scenario:</p> <ul style="list-style-type: none"> a. With gap in service; b. No filed claim; and c. With at least three (3) years of service prior to commission of offense. <p>C. Third scenario:</p> <ul style="list-style-type: none"> a. With gap in service; b. With cancelled claim (as future payee) due to request for tacking-in of service; and c. With at least three (3) years of service prior to commission of offense. <p>D. Fourth Scenario:</p> <ul style="list-style-type: none"> a. With filed separation claim (future payee); and b. With subsequent employment/s. 	<p>period/s prior to commission of offense. Upon receipt of proof that the decision is already final/executory, the Claims Unit-Frontline Services Division (FSD) shall inform the member that he or she may file his or her claim.</p>
3.	<p>Member served under one or more agencies:</p> <ul style="list-style-type: none"> a. Has retired or separated and has been paid benefits; b. Was subsequently re-employed (as a new-entrant); and c. With a decision of dismissal on an offense committed during his or her first employment. 	<p>Entire benefits for services rendered for the first and subsequent employment/s.</p>
4.	<p>Member served under one or more agencies:</p> <ul style="list-style-type: none"> a. Has retired or separated and has been paid benefits; b. Was subsequently re-employed (as a new-entrant); and c. With a decision of dismissal on an offense committed during re-employment. 	<p>Entire benefits for services rendered from the period of re-employment up to the last employment.</p>

If the decision of dismissal can no longer be implemented because the member is no longer in service and the alternative penalty of FINE is imposed, such fine shall not be deducted from the proceeds of the entitlement. However, the penalty of forfeiture of benefits shall remain and shall be handled in accordance with the policies herein set forth.

E. PROCESSING OF CLAIMS OF DISMISSED MEMBERS

The following guidelines shall be observed in the processing of claims of dismissed members:

1. NO PROCESSED AND PAID CLAIM AS OF DATE OF DECISION

- a. The outstanding balances of service loan (excluding Housing Loans), premium in arrears (PS only for CSV, none for TV⁹) as applicable, as of date of decision shall be deducted from the proceeds of the entitlement as provided under Section C.
- b. The net proceeds, if any, shall be paid to the dismissed member.
- c. Should the proceeds be insufficient to cover the deductions, the GSIS shall collect the deficit in accordance with the existing GSIS policy on collection of outstanding service loan balances of inactive members.

2. WITH PREVIOUSLY PROCESSED AND PAID CLAIM AS OF DATE OF DECISION

The GSIS shall:

- a. Immediately stop the disbursement of pension if the member is a pensioner, or disbursement of any other benefits payable to the member, if any;
- b. Inform the member or pensioner that the GSIS received a copy of the decision dismissing him or her from the service, and as a result, the GSIS recomputed his or her previously paid retirement benefit, as well as other benefits, if any;
- c. The following shall be recovered from the member:
 - a) 50 percent of CSV/TV;
 - b) Gross amount of retirement or separation benefit, including pension, if any;
 - c) OBAL of Pension Loan, if any, as of date of the decision;
 - d) OBAL of CLASP, if any, as of date of the decision; and
 - e) OBAL of service loans, if any, if the dismissed member's retirement benefit resulted in ZERO proceeds, as of date of processing of retirement benefit.

⁹ There will be no premium in arrears for TV since the cash value of the life insurance policy is computed based on the amount of life insurance premiums actually remitted to GSIS.

- d. Provide the dismissed member a collection letter (CL) with a detailed statement of account (SOA) and computation of deficit (entitlement less deductions), through personal service, registered mail, electronic mail, and/or courier service, demanding the return of the forfeited retirement benefit and payment of outstanding loan balances, if any, within 30 calendar days from receipt of the demand.

The interest rate to be charged to the account of the dismissed member shall be as follows:

Account	Interest Rate to be Applied	Covered Period for Imposition of Interest
Gross amount of retirement/separation benefit, including pension, if any	Legal interest rate of 6% per annum	Date of the decision until date of full return of the benefit
OBAL of Pension Loan and CLASP	12% interest per annum compounded monthly (pacm) and 6% surcharge pacm	Date of the decision until fully paid
OBAL of service loans	12% interest pacm and 6% surcharge pacm	Date following the date of processing of retirement/separation benefit until fully paid

- e. Refer the matter to its Legal Services Group (LSG) for the preparation of final demand letter and legal action, following applicable policies, in case of failure to settle the deficit amount within 30 calendar days from receipt of the CL.

3. DISMISSED MEMBER IS A FUTURE PAYEE

For the period of employment not covered by the penalty of forfeiture of benefits, all benefits of a future payee shall be processed and paid in accordance with existing policies of the GSIS. Any deficit arising from the forfeited benefit shall be deducted from the proceeds of the future benefit when it falls due.

For subsequent periods of employment, if any, covered by the penalty of forfeiture of benefits, the policies under Sections E.1 and E.2 shall be followed, as applicable.

4. DEATH OF MEMBER DISMISSED FROM SERVICE

a. For members who died without processed and paid claim:

- 1) The policies under Section E.1.a shall apply. The net proceeds, if any, shall be paid to the legal heirs.

However, if the date of death precedes the date of the decision, the Loan Redemption Insurance (LRI) shall cover for the OBAL of Pension Loan, CLASP and service loans, if any, following applicable rules on LRI and the same shall not be collected.

- 2) In case of deficit, the GSIS shall inform the legal heirs of the collectible (through a CL) and the basis thereof, and the need to settle such collectible within 30 calendar days from receipt of the demand.
- 3) If no payment is received within the prescribed period, the OUCs shall provide the LSG, apart from a SOA of the amounts due from the deceased member's account, a discussion on the basis for the collection and a breakdown of the collectibles as the LSG's basis for legal action.

b. For members who died with previously processed and paid claim, the GSIS shall:

- 1) Immediately stop the disbursement of:
 - a) Old-age pension if the deceased member is a pensioner;
 - b) Survivorship pension of legal heir/s, if any; and/or
 - c) Funeral benefit and Death benefit, if not yet paid.
- 2) Inform the legal heir/s that the GSIS received a copy of the decision dismissing the member from the service, and as a result, the GSIS recomputed his or her previously paid retirement benefit, as well as other benefits, if any;
- 3) The following shall be recovered from the member:
 - a) Gross amount of retirement or separation benefit, including survivorship benefit and pension of legal heirs, if any;
 - b) Gross amount of funeral benefit and death benefit, if any;
 - c) 50 percent of CSV/TV;
 - d) OBAL of Pension Loan, if any, as of date of the decision;
 - e) OBAL of CLASP, if any, as of date of the decision; and
 - f) OBAL of service loans, if any, if the dismissed member's retirement benefit resulted in ZERO proceeds, as of date of processing of retirement benefit.

However, if the date of death precedes the date of the decision, the LRI shall cover for the OBAL of Pension Loan, CLASP and service loans, if any, following applicable rules on LRI and the same shall not be collected.

- 4) In case of deficit, the GSIS shall inform the legal heirs of the collectible (through a CL) and the basis thereof, and the need to settle such collectible within 30 calendar days from receipt of the demand.
- 5) If no payment is received within the prescribed period, the OUCs shall provide the LSG, apart from a SOA of the amounts due from the deceased member's account, a discussion on the basis for the collection and a breakdown of the collectibles as the LSG's basis for legal action.
- 6) The interest rate to be charged to the account of the deceased dismissed member or his or her legal heirs, as applicable, shall be as follows:

Account	Interest Rate to be Applied	Covered Period for Imposition of Interest
Gross amount of retirement/separation benefit, including survivorship benefit and pension of legal heirs, funeral and death benefits, if any	Legal interest rate of 6% per annum	Date of the decision or date of death, whichever is earlier, until date of full return of the benefit by the legal heirs
OBAL of Pension Loan and CLASP	12% interest pacm and 6% surcharge pacm	Date of the decision or date of death, whichever is earlier, until fully paid
OBAL of service loans	12% interest pacm and 6% surcharge pacm	Date following the date of processing of retirement benefit or date of death, whichever is earlier, until fully paid

5. REVERSAL OF THE DECISION OF DISMISSAL FROM SERVICE

In the event that the decision dismissing the member is reversed or modified with finality:

a. NO PROCESSED CLAIM UPON RECEIPT OF ENTRY OF JUDGMENT

All benefit entitlements of the member shall be processed and paid in accordance with existing policies of the GSIS.

b. WITH PREVIOUSLY PROCESSED AND PAID CLAIM UPON RECEIPT OF ENTRY OF JUDGMENT

The GSIS shall recompute the benefit of the member and shall:

- 1) Restore all benefits the member is entitled to;

- 2) Refund all excess payments, if any; and
- 3) In case of deficit, collect the deficiency through pension deduction, if applicable.

To determine the correct OBAL to be used in the recomputation of benefits, the existing GSIS policy on reckoning dates in the accrual of interests for service loans shall apply.

F. METHOD OF PAYMENT

1. Disbursements arising out of these guidelines shall be paid through eCrediting for those with activated eCards or UMID cards, or through check for those without eCards or UMID cards (e.g., inactive members or those who are not members of the GSIS).
2. For amounts to be collected from the dismissed member, the method of payment shall be in accordance with the existing GSIS policy on collection of outstanding service loan balances of inactive members or policies on collection through legal action, as applicable.

G. APPLICATION OF PAYMENT

The order of priority for the application of any payment received from the dismissed member or his or her legal heirs, as applicable, shall be as follows:

1. For Benefit/s including pension/s:
 - a. Interest
 - b. Retirement/separation benefit
 - c. CSV/TV
 - d. Old-age pension, if any
 - e. Survivorship benefit of legal heirs, if any
 - f. Survivorship pension of legal heirs, if any
 - g. Death benefit, if any
 - h. Funeral benefit, if any
2. For Loans:
 - a. Surcharge
 - b. Interest
 - c. Principal Amount

Please be guided accordingly.

ROLANDO L. MACASAET
President and General Manager

Date Signed _____





GSIS Government Service Insurance System
Financial Center, Pasay City, Metro Manila 1308

POLICY AND PROCEDURAL GUIDELINES NO. 367-21

FUNCTIONAL AREA: CLAIMS

DISTRIBUTION:

- All Executive Vice Presidents
- All Senior Vice Presidents
- All Vice Presidents
- All Managers
 - Operations Groups
 - Actuarial and Risk Management Group
 - Controller Group
 - Financial Management Group
 - Legal Services Group
 - Information Technology Services Group
 - Information Security Office
 - Corporate Services Group
 - Internal Audit Services Office
 - Corporate Communications Office
 - Risk Management Office
 - Office for Strategy Management

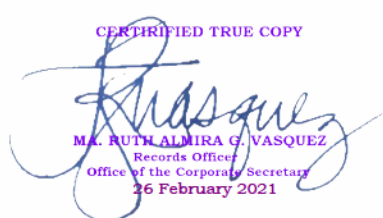
SUBJECT MATTER: GUIDELINES IN HANDLING OF CLAIMS WITH DECIDED CASES OF DISMISSAL FROM SERVICE WITH ACCESSORY PENALTY OF FORFEITURE OF BENEFITS

I. BACKGROUND/RATIONALE

On 16 June 2016, Office Order (OO) No. 304-16 was issued to provide the Operating Units Concerned (OUCs) with uniform procedures in handling claims of members dismissed from service with accessory penalty of forfeiture of retirement benefits. However, in the course of its implementation, the procedural activity on cancellation of previously processed claim and corresponding reversal of posting in Collection and Disbursement (CD) and Consumer Mortgage Loan (CML) modules was found to pose financial risk. This activity essentially deletes the record of the paid claim leaving no reference for a future benefit claim.

On 05 August 2016, the Operations Group issued a Joint Advisory on the revised procedures on part D.2 of OO 304-16 specifically for previously paid claim/s to rectify the procedural flaw on the cancellation of the previous processed claim/s and reversal of corresponding CD and CML postings. On 16 September 2016, OO No. 313-16 on the Amendment of OO 304-16 was issued approving the procedures of the said Joint Advisory, effectively superseding Part D.2 of OO 304-16.

CERTIFIED TRUE COPY


M.L. RUTH ALMIRA G. VASQUEZ
Records Officer
Office of the Corporate Secretary
26 February 2021

On 20 August 2019, the Operations Group requested the amendment of OO 304-16, in view of the Joint Advisory. Upon review of the Office for Strategy Management-Policies and Systems Department (OSM-PSD), it posited that the existence of OO 313-16 governing the requested amendment is already sufficient.

However, policy and procedural guidelines affecting the handling of claims of dismissed members with forfeiture of benefits have been issued over the years, which include reckoning dates on computation of interest on loans availed prior to date of decision on dismissal from service, treatment of loan payments deducted from the forfeited benefits and corresponding imposition of interest, among others. Thus, in consideration of the mentioned issuances and to provide comprehensive guidelines in handling claims of members with decided cases of dismissal from service with accessory penalty of forfeiture of benefits, this PPG is hereby issued.

II. OBJECTIVES

This PPG aims to:

- A. Provide clear-cut and comprehensive policy and procedural guidelines in the handling of claims of members with decided cases of dismissal from service with accessory penalty of forfeiture of benefits; and
- B. Ensure uniform interpretation and implementation of the policy by the OUCs.

III. POLICIES

A. COVERAGE

This PPG shall cover handling of claims of members with decided cases of dismissal from service with an accessory penalty of forfeiture of benefits by the following: Civil Service Commission (CSC), Ombudsman, or by other courts or entities, whereby the decision, even pending appeal, is immediately executory.

B. DECISIONS CONSIDERED AS IMMEDIATELY EXECUTORY

The following rendered decisions¹ shall be considered immediately executory:

1. CSC Decision rendered by its Regional Offices will only be considered executory if the same has already been affirmed by CSC Central Office². On the other hand, decisions of the Commission proper shall be immediately executory unless a Motion for Reconsideration (MR) is

¹ Whereby no restraining order enjoining the immediate execution of such decision is received by the GSIS.

² Section 69, 2017 Rules on Administrative Cases in the Civil Service (2017 RACCS), 03 July 2017.

seasonably³ filed, in which case, the execution of the decision shall be held in abeyance;

2. Decision of heads of agencies is immediately executory even though there is an appeal to CSC⁴;
3. Decision of disciplining authorities in departments (DENR, DILG, etc.) is not immediately executory unless confirmed by the Secretary concerned⁵;
4. Decision of the Office of the President with regard to presidential appointees is immediately executory;
5. Decision of the Ombudsman in administrative cases is immediately executory notwithstanding the filing of an MR or Appeal; and
6. Decision of court in criminal case wherein the penalty is at least *prision mayor*⁶ (imprisonment of 6 years and 1 day to 12 years) will be final and executory if no Appeal/MR is interposed within the reglementary period of 15 days.

The subject Decisions under Section III.B.1 to 4 herein are immediately executory unless an MR was seasonably filed thereto.

C. ENTITLEMENT OF MEMBERS DISMISSED FROM SERVICE

A member dismissed from the service for cause shall be entitled to the following:

1. Fifty percent (50%) of his or her Cash Surrender Value (CSV) or Termination Value (TV)⁷; and
2. Refund of his or her retirement premium contributions [personal share (PS) only] plus interest of three percent (3%) per annum compounded monthly.⁸

In case the dismissed employee is granted executive clemency or pardon, he or she shall be entitled to the forfeited retirement or separation benefits only

³ Within the appropriate time period during which an action will be legally effective, as prescribed in the decision.

⁴ Section 66, 2017 RACCS, 03 July 2017.

⁵ Ibid.

⁶ The penalty of *prision mayor* carries with it the accessory penalty of forfeiture of retirement benefit under the Revised Penal Code (Article 30 and 42, The Revised Penal Code, 1930)

⁷ Section 9, Commonwealth Act No. 186, xxx *Upon dismissal for a cause of a member of the System, the benefits under his membership policy shall be automatically forfeited to the System, except one-half of the cash surrender value, which amount shall be paid to such member.*

⁸ Section 8, R.A. 660, xxx (d) *Upon dismissal for cause or on voluntary separation, he/she shall be entitled only to his own premiums and voluntary deposits, if any, plus interest of 3% p.a.m.*

when specifically stated or expressed in the grant of executive clemency or pardon.

D. FORFEITURE OF BENEFITS OF DISMISSED MEMBERS

The retirement or separation benefits of dismissed members shall be forfeited in accordance with the following scenarios:

	SCENARIO	FORFEITED BENEFITS
1.	Member served under one agency: a. Continuous or with gap in service; and b. No filed claim.	Entire benefits for the entire services rendered.
2.	Member served under two or more agencies prior to decision of dismissal: A. First scenario: a. With no gap in service/continuous service; b. No filed claim; and c. With at least three (3) years of service prior to commission of offense. B. Second scenario: a. With gap in service; b. No filed claim; and c. With at least three (3) years of service prior to commission of offense. C. Third scenario: a. With gap in service; b. With cancelled claim (as future payee) due to request for tacking-in of service; and c. With at least three (3) years of service prior to commission of offense. D. Fourth Scenario: a. With filed separation claim (future payee); and b. With subsequent employment/s.	Entire benefits for services rendered in the agency where the offense was committed up to the last employment However, the member shall be allowed to file separation or retirement benefit claim, as applicable, for the employment period/s prior to commission of offense. Upon receipt of proof that the decision is already final/executory, the Claims Unit-Frontline Services Division (FSD) shall inform the member that he or she may file his or her claim.
3.	Member served under one or more agencies: a. Has retired or separated and has been paid benefits; b. Was subsequently re-employed (as a new-entrant); and c. With a decision of dismissal on an offense committed during his or	Entire benefits for services rendered for the first and subsequent employment/s

l	her first employment.	
f4. t h e d e	<p>Member served under one or more agencies:</p> <ul style="list-style-type: none"> a. Has retired or separated and has been paid benefits; b. Was subsequently re-employed (as a new-entrant); and c. With a decision of dismissal on an offense committed during re-employment. 	<p>Entire benefits for services rendered from the period of re-employment up to the last employment</p>

If the decision for dismissal can no longer be implemented because the member is no longer in service and the alternative penalty of FINE is imposed, such fine shall not be deducted from the proceeds of the entitlement. However, the penalty of forfeiture of benefits shall remain and shall be handled in accordance with the policies herein set forth.

E. PROCESSING OF CLAIMS OF DISMISSED MEMBERS

The following guidelines shall be observed in the processing of claims of dismissed members:

1. NO PROCESSED AND PAID CLAIM AS OF DATE OF DECISION

- a. The outstanding balances of service loan (excluding Housing Loans), premium in arrears (PS only for CSV, none for TV⁹) as applicable, as of date of decision shall be deducted from the proceeds of the entitlement as provided under Section III.C.
- b. The net proceeds, if any, shall be paid to the dismissed member.
- c. Should the proceeds be insufficient to cover the deductions, the OUC shall collect the deficit in accordance with the existing policy on collection of outstanding service loan balances of inactive member.

2. WITH PREVIOUSLY PROCESSED AND PAID CLAIM AS OF DATE OF DECISION

The OUC shall:

- a. Immediately stop the disbursement of pension if the member is a pensioner, or disbursement of any other benefits payable to the member, if any;

⁹ There will be no premium in arrears for TV since the cash value of the life insurance policy is computed based on the amount of life insurance premiums actually remitted to GSIS.

- b. Inform the member or pensioner that the GSIS received a copy of the Decision dismissing him or her from the service, and as a result, the GSIS recomputed his or her previously paid retirement benefit, as well as other benefits, if any;
- c. The following shall be recovered from the member:
 - 1) 50 percent of CSV/TV;
 - 2) Gross amount of retirement or separation benefit, including pension, if any;
 - 3) OBAL of Pension Loan, if any, as of date of the decision;
 - 4) OBAL of CLASP, if any, as of date of the decision; and
 - 5) OBAL of service loans, if any, if the dismissed member's retirement benefit resulted in ZERO proceeds, as of date of processing of retirement benefit.
- d. Provide the dismissed member a collection letter (CL) with a detailed statement of account (SOA) and computation of deficit (entitlement under Section III.C less amount to be recovered under Section III.E.2.c), through personal service, registered mail, electronic mail, and/or courier service, demanding the return of the forfeited retirement benefit and payment of outstanding loan balances, if any, within 30 calendar days from receipt of the demand.

The interest rate to be charged to the account of the dismissed member shall be as follows:

Account	Interest Rate to be Applied	Covered Period for Imposition of Interest
Gross amount of retirement/separation benefit, including pension, if any	Legal interest rate of 6% per annum	Date of the decision until date of full return of the benefit
OBAL of Pension Loan and CLASP	12% interest per annum compounded monthly (pacm) and 6% surcharge pacm	Date of the decision until fully paid
OBAL of service loans	12% interest pacm and 6% surcharge pacm	Date following the date of processing of retirement/separation benefit until fully paid

- e. Refer the matter to the LSG for preparation of final demand letter and legal action, following applicable policies, in case of failure to settle the deficit amount within 30 calendar days from receipt of the CL.

3. DISMISSED MEMBER IS A FUTURE PAYEE

For the period of employment not covered by the penalty of forfeiture of benefits, all benefits of a future payee shall be processed and paid in accordance with existing policies of the GSIS. Any deficit arising from the forfeited benefit shall be deducted from the proceeds of the future benefit when it falls due.

For subsequent periods of employment, if any, covered by the penalty of forfeiture of benefits, the policies under Sections III.E.1 and E.2 shall be followed, as applicable.

4. DEATH OF MEMBER DISMISSED FROM SERVICE

a. For members who died without processed and paid claim:

- 1) The policies under Section III.E.1.a shall apply. The net proceeds, if any, shall be paid to the legal heirs.

However, if the date of death precedes the date of the decision, the Loan Redemption Insurance (LRI) shall cover for the OBAL of Pension Loan, CLASP and service loans, if any, following applicable rules on LRI and the same shall not be collected.

- 2) In case of deficit, the OUC shall inform the legal heirs of the collectible (through a CL) and the basis thereof, and the need to settle such collectible within 30 calendar days from receipt of the demand.
 - 3) If no payment is received within the prescribed period, the OUCs shall provide the LSG, apart from a SOA of the amounts due from the deceased member's account, a discussion on the basis for the collection and a breakdown of the collectibles as the LSG's basis for legal action.
- b. For members who died with previously processed and paid claim, the OUC shall:
- 1) Immediately stop the disbursement of:
 - a) Old-age pension if the deceased member is a pensioner;
 - b) Survivorship pension of legal heir/s, if any; and/or
 - c) Funeral benefit and Death benefit, if not yet paid.
 - 2) Inform the legal heir/s that the GSIS received a copy of the decision dismissing the member from the service, and as a result, the GSIS recomputed his or her previously paid retirement benefit, as well as other benefits, if any;

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M.A. RUTH ALMIRA G. VASQUEZ
Records Officer
Office of the Corporate Secretary
26 February 2021

3) The following shall be recovered from the member:

- a) Gross amount of retirement or separation benefit, including survivorship benefit and pension of legal heirs, if any;
- b) Gross amount of funeral benefit and death benefit, if any;
- c) 50 percent of CSV/TV;
- d) OBAL of Pension Loan, if any, as of date of the decision;
- e) OBAL of CLASP, if any, as of date of the decision; and
- f) OBAL of service loans, if any, if the dismissed member's retirement benefit resulted in ZERO proceeds, as of date of processing of retirement benefit.

However, if the date of death precedes the date of the decision, the LRI shall cover for the OBAL of Pension Loan, CLASP and service loans, if any, following applicable rules on LRI and the same shall not be collected.

- 4) In case of deficit, the OUC shall inform the legal heirs of the collectible (through a CL) and the basis thereof, and the need to settle such collectible within 30 calendar days from receipt of the demand.
- 5) If no payment is received within the prescribed period, the OUCs shall provide the LSG, apart from a SOA of the amounts due from the deceased member's account, a discussion on the basis for the collection and a breakdown of the collectibles as the LSG's basis for legal action.
- 6) The interest rate to be charged to the account of the deceased dismissed member or his or her legal heirs, as applicable, shall be as follows:

Account	Interest Rate to be Applied	Covered Period for Imposition of Interest
Gross amount of retirement/separation benefit, including survivorship benefit and pension of legal heirs, funeral and death benefits, if any	Legal interest rate of 6% per annum	Date of the decision or date of death, whichever is earlier, until date of full return of the benefit by the legal heirs
OBAL of Pension Loan and CLASP	12% interest pacm and 6% surcharge pacm	Date of the decision or date of death, whichever is earlier, until fully paid

Account	Interest Rate to be Applied	Covered Period for Imposition of Interest
OBAL of service loans	12% interest pacm and 6% surcharge pacm	Date following the date of processing of retirement benefit or date of death, whichever is earlier, until fully paid

5. REVERSAL OF THE DECISION OF DISMISSAL FROM SERVICE

In the event that the decision dismissing the member is reversed or modified with finality:

a. NO PROCESSED CLAIM UPON RECEIPT OF ENTRY OF JUDGMENT

All benefit entitlements of the member shall be processed and paid in accordance with existing policies of the GSIS.

b. WITH PREVIOUSLY PROCESSED AND PAID CLAIM UPON RECEIPT OF ENTRY OF JUDGMENT

The OUC shall recompute the benefit of the member and shall:

- 1) Restore all benefits the member is entitled to;
- 2) Refund all excess payments, if any; and
- 3) In case of deficit, collect the deficiency through pension deduction, if applicable.

To determine the correct OBAL to be used in the recomputation of benefits, the existing policy on reckoning dates in the accrual of interests for service loans shall apply.

F. MONITORING OF EXECUTORY DECISIONS ON PENDING CASES

The Executive Vice President – Core Business Sector shall ensure that executory decisions on cases which are still pending, particularly cases of members who have already been paid their benefits by the GSIS, including reversal of decisions are monitored.

G. MONITORING OF COLLECTION FROM DISMISSED MEMBERS

1. The Monitoring Team created pursuant to the existing policy on collection of outstanding service loan balances of inactive member shall likewise monitor collection from dismissed members.

2. The Monitoring Team shall utilize the existing module in SAP for proper monitoring of collection of amounts due from dismissed members.
3. A quarterly status report on collection from dismissed members shall be submitted by the Monitoring Team through channels to the Office of the President and General Manager.

H. METHOD OF PAYMENT

1. Disbursements arising out of this PPG shall be paid through eCrediting for those with activated eCards or UMID cards, or through check for those without eCards or UMID cards (e.g., inactive members or those who are not members of the GSIS).
2. For amounts to be collected from the dismissed member, the method of payment shall be in accordance with the existing policy on collection of outstanding service loan balances of inactive member or policies on collection through legal action, as applicable.

I. APPLICATION OF PAYMENT

The order of priority for the application of any payment received from the dismissed member or his or her legal heirs, as applicable, shall be as follows:

1. For Benefit/s including pension/s:
 - a. Interest
 - b. Retirement/separation benefit
 - c. CSV/TV
 - d. Old-age pension, if any
 - e. Survivorship benefit of legal heirs, if any
 - f. Survivorship pension of legal heirs, if any
 - g. Death benefit, if any
 - h. Funeral benefit, if any
2. For Loans:
 - a. Surcharge
 - b. Interest
 - c. Principal Amount

IV. PROCEDURES

The detailed procedures to be included in the Manual of Operations of the OUCs shall adhere to the following general guidelines:

A. NO PROCESSED AND PAID CLAIM AS OF DATE OF DECISION OF DISMISSAL FROM SERVICE

ACTIVITY	RESPONSIBLE UNIT
<p>1. Receive copy of the decision of dismissal (<i>referred by higher offices or the receiving branch office</i>) and/or details of dismissal in Form D sent by the AAO concerned. Create TMS. Update tag status of the member to "Dismissed".</p> <p>Inform the OUC of the decision and the tagging done. Forward TMS to Central Receiver.</p>	<p>Manager, Membership Department (MD) concerned</p>
<p>2. Distribute transaction to division concerned according to their respective work load.</p>	<p>Central Receiver</p>
<p>3. Check if with loan account/s.</p> <p>A. If no loan account/s</p> <p>1) Request member to file application for CSV/TV and Member's Request Form (MRF) for refund of premiums.</p> <p>2) Upon receipt of application, forward to AMD for reconciliation.</p> <p>3) Reconcile life premiums. Forward TMS to FSD for processing of CSV.</p> <p>4) Compute PS component of Retirement Premiums, plus interest of 3% pacm. Set-up refund items. Forward TMS to FSD.</p> <p>5) Process 50% of the CSV/TV (using SAP-CPAS).</p> <p>6) Facilitate payment of entitlement.</p>	<p>FSD</p> <p>AMD/BCRD</p> <p>FSD</p>
<p>B. If with loan account/s:</p> <p>1) Reconcile life premiums. Forward TMS to FSD for computation of 50% CSV/TV.</p>	<p>AMD/BCRD</p>
<p>2) Compute the 50% CSV/TV. Forward computation to AMD/BCRD.</p>	<p>FSD</p>

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[Signature]
M.A. RUTH ALMIRA G. VASQUEZ
Records Officer
Office of the Corporate Secretary
26 February 2021

ACTIVITY	RESPONSIBLE UNIT
3) Reconcile loan account/s to determine outstanding balance (OBAL). 4) Compute PS component of Retirement Premiums, plus interest of 3% pacm. 5) Prepare SOA showing computation of entitlement and OBAL and informing member to file CSV/TV claim and refund of premiums. Send SOA to the member concerned. Close TMS.	AMD/BCRD
6) Receive CSV/TV claim application and Member's Request Form (MRF) for refund of premiums from the member. Create TMS and forward to Central Receiver. 7) Distribute transaction to division concerned according to their respective work load. If entitlement > OBAL: 8) Set-up 50% of the CSV/TV, PS component of Retirement Premiums, plus interest of 3% pacm, and OBAL of all loans. Forward TMS to FSD.	Frontline personnel Central Receiver AMD/BCRD
9) Process 50% of the CSV/TV (using SAP CPAS). 10) Facilitate payment of entitlement.	FSD
If entitlement = OBAL: 11) Set-up 50% of the CSV/TV, PS component of Retirement Premiums, plus interest of 3% pacm, and OBAL of all loans. 12) Prepare and send letter to the member informing him or her that the amount of entitlement is equal to the OBAL of his or her loan/s, and that the latter shall be deducted from the entitlement resulting in the full payment of his or her loan account/s. Close TMS.	AMD/BCRD
If entitlement < OBAL: 13) Set-up 50% of the CSV/TV, PS component of Retirement Premiums, plus interest of 3% pacm, and OBAL of all loans.	AMD/BCRD

ACTIVITY	RESPONSIBLE UNIT
<p>14) Prepare and send Collection Letter (Annex A) to the member requiring him or her to pay the deficit/collectibles within 30 calendar days from receipt of CL. Close TMS.</p> <p>15) Monitor payment of the dismissed member.</p> <p>a. If payment is received within the prescribed period, end of process.</p> <p>b. If payment is not received within the prescribed period, prepare Final Demand Letter (FDL) (Annex B) and send to dismissed member requiring him or her to pay the deficit/collectibles within 30 calendar days from receipt of FDL.</p> <ul style="list-style-type: none"> • If payment is received within the prescribed period, end of process. • If payment is not received within the prescribed period, update SOA, prepare Notice of Endorsement to Collection Agency (NECA) (Annex C) and send to the dismissed member. <p>16) Monitor payments received due to efforts of accredited collection agency. Comply with reportorial requirements and update monitoring tool.</p>	Monitoring Team
End of Process	

B. WITH PREVIOUSLY PROCESSED AND PAID CLAIM AS OF DATE OF DECISION OF DISMISSAL FROM SERVICE

	ACTIVITY	RESPONSIBLE UNIT
1.	<p>Receive copy of the decision of dismissal (<i>referred by higher offices or the receiving branch office</i>) and/or details of dismissal in Form D sent by the AAO concerned. Create TMS. Update tag status of the member to "Dismissed". If already a pensioner, tag the pension record as "Suspended".</p> <p>Inform the OUC of the decision and the tagging done. Forward TMS to Central Receiver.</p>	Manager, MD concerned
2.	Distribute transaction to division concerned according	Central

	ACTIVITY	RESPONSIBLE UNIT
	to their respective workload.	Receiver
3.	<p>Prepare Certified Notice to Create Open Item (CNCOI) and request AMD/BCRD to set-up the following receivables:</p> <ul style="list-style-type: none"> Gross amount of all previously paid benefits; and 50% of the gross amount of CSV/TV. <p>Check if with loan account/s deducted from previously processed and paid claim/s and if with paid pension (both old-age and survivorship pension):</p> <p>a. If with loan account/s deducted and with paid pension, compute for pension overpayment and prepare a CNCOI containing the total pension overpayment for setting up as receivable. Refer to AMD/BCRD. Proceed to Activity 5.</p> <p>b. If with loan account/s deducted but no paid pension, refer to AMD/BCRD. Proceed to Activity 5.</p> <p>c. If no loan account/s deducted but with paid pension, proceed to Activity 4.</p> <p>d. If no loan account/s deducted and no paid pension, refer to AMD/BCRD. Proceed to Activity 6.</p>	FSD
4.	<p>Compute for pension overpayment. Refer to AMD/BCRD a CNCOI containing the total pension overpayment for setting up as receivable. Proceed to Activity 6.</p>	
5.	<p>Reconcile and determine OBAL of the loan account/s ensuring that any amount deducted from the paid claim is posted.</p> <p>If not fully paid after reconciliation, prepare and consolidate SOAs. Facilitate approval of the SOAs.</p> <p>Determine the PS Component of Retirement Premiums, plus interest of 3% pacm.</p>	AMD/BCRD
6.	<p>Set-up the following as receivables:</p> <ul style="list-style-type: none"> Gross amount of all previously paid benefits; 50% of the gross amount of CSV/TV; and Pension overpayment, if any. 	

	ACTIVITY	RESPONSIBLE UNIT
	<p><i>Note: The set-up of pension overpayment is done at the deceased member-pensioner's account, even if the recovery of pension overpayment is from his or her survivors.</i></p> <p>Set-up as credit items the PS component of Retirement Premiums, plus interest 3% pacm.</p>	
7.	<p>Clear the created credit items with the created debit items in the following order:</p> <ul style="list-style-type: none"> • Pension overpayment, if any • Previously paid claim, if any • OBAL of loan accounts, if any 	
8.	<p>Prepare and send Collection Letter (Annex D) to the member requiring him or her to pay the deficit/collectibles within 30 calendar days from receipt of CL. Close TMS.</p>	
9.	<p>Monitor payment of the dismissed member.</p> <p>a. If payment is received within the prescribed period, end of process.</p> <p>b. If payment is not received within the prescribed period, refer to LSG for preparation of FDL.</p> <ul style="list-style-type: none"> • If payment is received within the prescribed period, end of process. • If payment is not received within the prescribed period, refer to LSG, through channels, for legal action. 	
10.	Undertake legal action.	LSG
<i>End of Process</i>		

C. DECISION OF DISMISSAL WAS REVERSED

	ACTIVITY	RESPONSIBLE UNIT
1.	<p>Receive copy of the decision of reversal and Final Entry of Judgment (<i>referred by higher offices or the receiving branch office</i>) and/or details of reversal of decision in Form D sent by the AAO concerned. Create TMS.</p>	<p>Manager, MD Concerned</p>

	ACTIVITY	RESPONSIBLE UNIT
	Update tagging from "Dismissed" to "Retired" or "Separated" or lift tagging for reinstated employees, as the case may be. Inform OUC of the decision and the tagging done. Forward TMS to Central Receiver.	
2.	Distribute transaction to division concerned according to their respective workload.	Central Receiver
3.	Process transaction and adjudicate entitlement to benefits. a. If without previously processed claim, facilitate processing of benefits in accordance with existing policies. (End of Process) b. If with previously processed and paid claim, refer to AMD/BCRD. Proceed to Activity 4.	FSD
4.	Re-compute the benefits of the member based on existing policies on processing of retirement, separation, survivorship, pension, CSV/TV and death claim, and accrual of interest for service loans.	AMD/BCRD
5.	Set up refund. Forward to FSD.	AMD/BCRD
6.	Facilitate payment of restored benefits and refund of excess payments, if any.	FSD
<i>End of Process</i>		

V. DATA AND SYSTEM REQUIREMENTS

- A. The Controller Group shall provide the proper accounting entries to record all transactions contained in this PPG.
- B. The Information Technology Services Group shall provide the necessary computer services support and automation enhancements that will efficiently and effectively implement this PPG. For this purpose, the OUCs shall submit the consolidated user requirements as basis for establishing the systems requirements and timeline for the completion thereof.

VI. DATA PRIVACY CLAUSE

The Operating Units Concerned shall ensure that the creation and collection, storage and transmittal, use and distribution, retention, as well as disposal and

destruction of the personal and sensitive personal data of members, pensioners and other stakeholder, as required by this PPG, adhere to the requirements of the Data Privacy Act.

VII. INFORMATION DISSEMINATION

The Corporate Communications Office shall prepare the necessary information materials for the dissemination of this PPG.

A Memorandum Circular (**Annex E**) shall be issued to inform the members of the policies herein set forth.

VIII. REPEALING CLAUSE

This PPG shall supersede OO Nos. 304-16 and 313-16. Other minor formal amendments and/or revisions that pertain to style, language or numbering and which do not relate to the substance of this PPG are herein amended accordingly.

IX. EFFECTIVITY CLAUSE

This PPG shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

ORIGINAL SIGNED

ROLANDO L. MACASAET

President and General Manager

Date Signed: FEB 19 2021

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M.R. RUTH ALMIRA C. VASQUEZ
Records Officer
Office of the Corporate Secretary
26 February 2021



GSIS Government Service Insurance System
Financial Center, Pasay City, Metro Manila 1308

OPERATIONS GROUP

BRANCH OFFICE

WITH NO PREVIOUSLY
PROCESSED CLAIM

(DATE)

(NAME OF DISMISSED MEMBER)

Address 1

Address 2

COLLECTION LETTER

Dear Mr./Ms. _____:

We have received a copy of the Decision dated <date of decision> from (Agency/Court) under case number _____, the dispositive portion of which reads as follows:

(copy the dispositive portion of the decision, stating the penalty imposed)

Accordingly, we have effected the necessary reconciliation and computation of the refund of 50% of the Cash Surrender Value (CSV) or Termination Value (TV) of your Life Insurance Policy as well as the refund of your Personal Share-Retirement (PS-Ret) contribution with three percent (3%) interest per annum compounded monthly as follows:

A. Computation of CSV/TV Entitlement:

GROSS AMOUNT OF CSV/TV		xx,xxx.xx
Less:		
50% CSV/TV	xx,xxx.xx	
TOTAL Entitlement for CSV/TV component		xx,xxx.xx

B. Statement of Account reflecting all obligations

PS Ret Refund		xx,xxx.xx
3% Interest pacm		xx,xxx.xx
CSV/TV Entitlement under item A		xx,xxx.xx
Total Entitlement		xx,xxx.xx
Less:		
Deficit on 50% CSV/TV (if any)	xx,xxx.xx	
Remaining OBAL of CNL, EML and other loans (if any) (loans to be presented separately)	xx,xxx.xx	
<i>Principal</i>	xx,xxx.xx	
<i>Interest</i>	xx,xxx.xx	
<i>Surcharge</i>	xx,xxx.xx	
Total Outstanding Balance as of _____		xx,xxx.xx

Pursuant to our existing policies, unpaid loans of members dismissed from the service shall be collected and shall be charged with 12% interest per annum compounded monthly and 6% surcharge per annum compounded monthly until fully paid.

CERTIFIED TRUE COPY

Ruth Almiras Vasquez
M.A. RUTH ALMIRA G. VASQUEZ
Records Officer
Office of the Corporate Secretary
26 February 2021

Please settle your outstanding balance within thirty (30) calendar days from receipt of this Collection Letter, otherwise, we shall refer the matter to our Legal Services Group for appropriate legal action. We will also be constrained to refer your account to the Credit Information Corporation (CIC).


You may get in touch with Mr./Ms. _____ at 09____-____
0____-_____ on or before _____ or visit your nearest GSIS Branch Office.

We trust that you will give this matter your preferential attention.

Very truly yours,

Department/Branch Manager

CERTIFIED TRUE COPY


M.A. RUTH ALMIRA C. VASQUEZ
Records Officer
Office of the Corporate Secretary
26 February 2021

212344



GSIS Government Service Insurance System
Financial Center, Pasay City, Metro Manila 1308

OPERATIONS GROUP
BRANCH OFFICE

(DATE)

(NAME OF DISMISSED MEMBER)

Address 1

Address 2

FINAL DEMAND LETTER

Dear Mr./Ms. _____:

Our records show that despite our Collection Letter (CL) of _____, you still failed to settle your total obligation now totaling Php _____.

Below is the Statement of Accounts detailing the balances of your loans as of _____.

Loan Type	Date Granted	Account No.	Principal	Interests	Surcharges	Outstanding Balance*

*excluding interests and surcharges that shall accrue after the date of this Final Demand Letter up to the date of actual payment.

Please consider this as our final demand to pay your total obligation within thirty (30) calendar days from receipt hereof, otherwise, we will refer your account to our Legal Services Group for appropriate legal action.

If you have questions or concerns, please coordinate with Mr./Ms. _____ at 09____-____; 0____-____ on or before _____ or visit your nearest GSIS Branch Office.

Very truly yours,

Department Manager/Branch Manager

CERTIFIED TRUE COPY

R. Vasquez
M.C. RUTH ALMIRA G. VASQUEZ
Records Officer
Office of the Corporate Secretary
26 February 2021



GSIS Government Service Insurance System
Financial Center, Pasay City, Metro Manila 1308

OPERATIONS GROUP

BRANCH OFFICE

(DATE)

(NAME OF DISMISSED MEMBER)

Address 1

Address 2

NOTICE OF ENDORSEMENT TO COLLECTION AGENCY

Dear Mr./Ms. _____:

Our records show that despite our Final Demand Letter (FDL) of _____, you still failed to settle your total obligation now amounting to Php _____.

Below is the Statement of Accounts detailing the balances of your loans as of _____.

Loan Type	Date Granted	Account No.	Principal	Interests	Surcharges	Outstanding Balance*

*excluding interests and surcharges that shall accrue after date of this Notice up to the date of actual payment

Accordingly, we will endorse your account to the following Accredited Collection Agency (ACA) for collection within seven (7) calendar days after mailing of this Notice.

Name of ACA: _____ Office Address: _____

Contact No.: _____

If you have questions or concerns, please coordinate with Mr./Ms. _____ at 09 _____ or 0 _____.

Very truly yours,

DEPARTMENT/BRANCH MANAGER

CERTIFIED TRUE COPY

Rivasquez
M.A. RUTH ALMIRA G. VASQUEZ
Records Officer
Office of the Corporate Secretary
26 February 2021

Annex D



GSIS Government Service Insurance System
Financial Center, Pasay City, Metro Manila 1308

OPERATIONS GROUP

BRANCH OFFICE

WITH PREVIOUSLY
PROCESSED PAID
CLAIM

(DATE)

(NAME OF DISMISSED MEMBER)

Address 1

Address 2

COLLECTION LETTER

Dear Mr./Ms. _____:

We have received a copy of the Decision dated <date of decision> from (Agency/Court) under case number _____, the dispositive portion of which reads as follows:

(copy the dispositive portion of the decision, stating the penalty imposed)

Accordingly, we have effected the necessary reconciliation and recomputation of your entitlement as follows:

A. Computation of 50% CSV/TV:

GROSS AMOUNT OF CSV/TV		XX,XXX.XX
Less:		
50% CSV/TV	XX,XXX.XX	
TOTAL Collectible Amount		XX,XXX.XX

B. Statement of Account reflecting all obligations

PS Ret Refund		XX,XXX.XX
3% Interest pacm		XX,XXX.XX
Total Entitlement		XX,XXX.XX
Less:		
OBAL of CNL, EML and other loans, if any (loans to be presented separately)	XX,XXX.XX	
Principal	XX,XXX.XX	
Interest	XX,XXX.XX	
Surcharge	XX,XXX.XX	
Gross Amount of retirement or separation benefit, including pension, if any	XX,XXX.XX	
TOTAL Collectible Amount		XX,XXX.XX

Hence, your total obligation as of _____ amounts to Php _____
(Total Collectible Amount under A + Total Collectible Amount under B).

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Ruth Almiran Vasquez
M.A. RUTH ALMIRA G. VASQUEZ
Records Officer
Office of the Corporate Secretary
26 February 2021

In accordance with our existing policies, unpaid loans and/or forfeited benefits of members who have been dismissed from the service shall be collected and shall be charged, until fully paid, as follows:

Account	Interest	Surcharge
OBAL on Loan Accounts	12% per annum compounded monthly (pacm)	6% pacm
Benefits: (kindly indicate the transaction whether Retirement/Separation, CSV/TV, etc.)	6%	None

Please settle your total obligation within thirty (30) calendar days from receipt of this Collection Letter, otherwise, we will refer the matter to our Legal Services Group for appropriate legal action. We will also be constrained to refer your account to the Credit Information Corporation (CIC).

You may get in touch with Mr./Ms. _____ at 09_____-_____-_____; 0_____-_____-_____
on or before _____ or visit your nearest GSIS Branch Office.

We trust that you will give this matter your preferential attention.

Very truly yours,

DEPARTMENT/BRANCH MANAGER

CERTIFIED TRUE COPY


M. RUTH ALMIRA G. VASQUEZ
Records Officer
Office of the Corporate Secretary
26 February 2021



PASEGURUHAN NG MGA NAGLILINGKOD SA PAMAHALAAN
(GOVERNMENT SERVICE INSURANCE SYSTEM)
Financial Center, Pasay City, Metro Manila 1308

GSIS Memorandum Circular No. 024 Series of 2021

TO : HEADS OF CONSTITUTIONAL BODIES; BUREAUS AND AGENCIES OF THE NATIONAL GOVERNMENT; LOCAL GOVERNMENT UNITS; GOVERNMENT OWNED OR CONTROLLED CORP.; STATE UNIVERSITIES AND COLLEGES; AND ALL OTHERS CONCERNED

SUBJECT : GUIDELINES IN HANDLING OF CLAIMS WITH DECIDED CASES OF DISMISSAL FROM SERVICE WITH ACCESSORY PENALTY OF FORFEITURE OF BENEFITS

Pursuant to Board Resolution No. 21 dated 09 February 2021 approving Policy and Procedural Guidelines (PPG) No. 367-21 on the Guidelines in Handling of Claims with Decided Cases of Dismissal from Service with an Accessory Penalty of Forfeiture of Benefits dated 19 February 2021, the GSIS approved the following guidelines:

A. COVERAGE

The Guidelines shall cover handling of claims of members with decided cases of dismissal from service with an accessory penalty of forfeiture of benefits by the following: Civil Service Commission (CSC), Ombudsman, or by other courts or entities, whereby the decision, even pending appeal, is immediately executory.

B. DECISIONS CONSIDERED AS IMMEDIATELY EXECUTORY

The following rendered decisions¹ shall be considered immediately executory:

1. CSC Decision rendered by its Regional Offices will only be considered executory if the same has already been affirmed by CSC Central Office². On the other hand, decisions of the Commission proper shall be immediately executory unless a Motion for Reconsideration (MR) is seasonably³ filed, in which case, the execution of the decision shall be held in abeyance;
2. Decision of heads of agencies is immediately executory even though there is an appeal to CSC⁴;
3. Decision of disciplining authorities in departments (DENR, DILG, etc.) is not immediately executory unless confirmed by the Secretary concerned⁵;

¹ Whereby no restraining order enjoining the immediate execution of such decision is received by the GSIS.

² Section 69, 2017 Rules on Administrative Cases in the Civil Service (2017 RACCS), 03 July 2017.

³ Within the appropriate time period during which an action will be legally effective, as prescribed in the decision.

⁴ Section 66, 2017 RACCS, 03 July 2017.

⁵ Ibid.

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26 February 2021

4. Decision of the Office of the President with regard to presidential appointees is immediately executory;
5. Decision of the Ombudsman in administrative cases is immediately executory notwithstanding the filing of an MR or Appeal; and
6. Decision of court in criminal case wherein the penalty is at least *prision mayor*⁶ (imprisonment of 6 years and 1 day to 12 years) will be final and executory if no Appeal/MR is interposed within the reglementary period of 15 days.

The subject Decisions under Section B.1 to 4 herein are immediately executory unless an MR was seasonably filed thereto.

C. ENTITLEMENT OF MEMBERS DISMISSED FROM SERVICE

A member dismissed from the service for cause shall be entitled to the following:

1. Fifty percent (50%) of his or her Cash Surrender Value (CSV) or Termination Value (TV)⁷; and
2. Refund of his or her retirement premium contributions [personal share (PS) only] plus interest of three percent (3%) per annum compounded monthly.⁸

In case the dismissed employee is granted executive clemency or pardon, he or she shall be entitled to the forfeited retirement or separation benefits only when specifically stated or expressed in the grant of executive clemency or pardon.

D. FORFEITURE OF BENEFITS OF DISMISSED MEMBERS

The retirement or separation benefits of dismissed members shall be forfeited in accordance with the following scenarios:

	SCENARIO	FORFEITED BENEFITS
1.	Member served under one agency: a. Continuous or with gap in service; and b. No filed claim.	Entire benefits for the entire services rendered.
2.	Member served under two or more agencies prior to decision of dismissal: A. First scenario: a. With no gap in service/continuous service;	Entire benefits for services rendered in the agency where the offense was committed up to the last employment. However, the member shall be allowed to file separation or retirement benefit claim, as applicable, for the employment

⁶ The penalty of *prision mayor* carries with it the accessory penalty of forfeiture of retirement benefit under the Revised Penal Code (Article 30 and 42, The Revised Penal Code, 1930)

⁷ Section 9, Commonwealth Act No. 186, xxx *Upon dismissal for a cause of a member of the System, the benefits under his membership policy shall be automatically forfeited to the System, except one-half of the cash surrender value, which amount shall be paid to such member...*

⁸ Section 8, R.A. 660, xxx (d) *Upon dismissal for cause or on voluntary separation, he/she shall be entitled only to his own premiums and voluntary deposits, if any, plus interest of 3% p.a.m.*

	SCENARIO	FORFEITED BENEFITS
	<ul style="list-style-type: none"> b. No filed claim; and c. With at least three (3) years of service prior to commission of offense. <p>B. Second scenario:</p> <ul style="list-style-type: none"> a. With gap in service; b. No filed claim; and c. With at least three (3) years of service prior to commission of offense. <p>C. Third scenario:</p> <ul style="list-style-type: none"> a. With gap in service; b. With cancelled claim (as future payee) due to request for tacking-in of service; and c. With at least three (3) years of service prior to commission of offense. <p>D. Fourth Scenario:</p> <ul style="list-style-type: none"> a. With filed separation claim (future payee); and b. With subsequent employment/s. 	<p>period/s prior to commission of offense. Upon receipt of proof that the decision is already final/executory, the Claims Unit-Frontline Services Division (FSD) shall inform the member that he or she may file his or her claim.</p>
3.	<p>Member served under one or more agencies:</p> <ul style="list-style-type: none"> a. Has retired or separated and has been paid benefits; b. Was subsequently re-employed (as a new-entrant); and c. With a decision of dismissal on an offense committed during his or her first employment. 	<p>Entire benefits for services rendered for the first and subsequent employment/s.</p>
4.	<p>Member served under one or more agencies:</p> <ul style="list-style-type: none"> a. Has retired or separated and has been paid benefits; b. Was subsequently re-employed (as a new-entrant); and c. With a decision of dismissal on an offense committed during re-employment. 	<p>Entire benefits for services rendered from the period of re-employment up to the last employment.</p>

If the decision of dismissal can no longer be implemented because the member is no longer in service and the alternative penalty of FINE is imposed, such fine shall not be deducted from the proceeds of the entitlement. However, the penalty of forfeiture of benefits shall remain and shall be handled in accordance with the policies herein set forth.

E. PROCESSING OF CLAIMS OF DISMISSED MEMBERS

The following guidelines shall be observed in the processing of claims of dismissed members:

1. NO PROCESSED AND PAID CLAIM AS OF DATE OF DECISION

- a. The outstanding balances of service loan (excluding Housing Loans), premium in arrears (PS only for CSV, none for TV⁹) as applicable, as of date of decision shall be deducted from the proceeds of the entitlement as provided under Section C.
- b. The net proceeds, if any, shall be paid to the dismissed member.
- c. Should the proceeds be insufficient to cover the deductions, the GSIS shall collect the deficit in accordance with the existing GSIS policy on collection of outstanding service loan balances of inactive members.

2. WITH PREVIOUSLY PROCESSED AND PAID CLAIM AS OF DATE OF DECISION

The GSIS shall:

- a. Immediately stop the disbursement of pension if the member is a pensioner, or disbursement of any other benefits payable to the member, if any;
- b. Inform the member or pensioner that the GSIS received a copy of the decision dismissing him or her from the service, and as a result, the GSIS recomputed his or her previously paid retirement benefit, as well as other benefits, if any;
- c. The following shall be recovered from the member:
 - a) 50 percent of CSV/TV;
 - b) Gross amount of retirement or separation benefit, including pension, if any;
 - c) OBAL of Pension Loan, if any, as of date of the decision;
 - d) OBAL of CLASP, if any, as of date of the decision; and
 - e) OBAL of service loans, if any, if the dismissed member's retirement benefit resulted in ZERO proceeds, as of date of processing of retirement benefit.

⁹ There will be no premium in arrears for TV since the cash value of the life insurance policy is computed based on the amount of life insurance premiums actually remitted to GSIS.

- d. Provide the dismissed member a collection letter (CL) with a detailed statement of account (SOA) and computation of deficit (entitlement less deductions), through personal service, registered mail, electronic mail, and/or courier service, demanding the return of the forfeited retirement benefit and payment of outstanding loan balances, if any, within 30 calendar days from receipt of the demand.

The interest rate to be charged to the account of the dismissed member shall be as follows:

Account	Interest Rate to be Applied	Covered Period for Imposition of Interest
Gross amount of retirement/separation benefit, including pension, if any	Legal interest rate of 6% per annum	Date of the decision until date of full return of the benefit
OBAL of Pension Loan and CLASP	12% interest per annum compounded monthly (pacm) and 6% surcharge pacm	Date of the decision until fully paid
OBAL of service loans	12% interest pacm and 6% surcharge pacm	Date following the date of processing of retirement/separation benefit until fully paid

- e. Refer the matter to its Legal Services Group (LSG) for the preparation of final demand letter and legal action, following applicable policies, in case of failure to settle the deficit amount within 30 calendar days from receipt of the CL.

3. DISMISSED MEMBER IS A FUTURE PAYEE

For the period of employment not covered by the penalty of forfeiture of benefits, all benefits of a future payee shall be processed and paid in accordance with existing policies of the GSIS. Any deficit arising from the forfeited benefit shall be deducted from the proceeds of the future benefit when it falls due.

For subsequent periods of employment, if any, covered by the penalty of forfeiture of benefits, the policies under Sections E.1 and E.2 shall be followed, as applicable.

4. DEATH OF MEMBER DISMISSED FROM SERVICE

a. For members who died without processed and paid claim:

- 1) The policies under Section E.1.a shall apply. The net proceeds, if any, shall be paid to the legal heirs.

However, if the date of death precedes the date of the decision, the Loan Redemption Insurance (LRI) shall cover for the OBAL of Pension Loan, CLASP and service loans, if any, following applicable rules on LRI and the same shall not be collected.

- 2) In case of deficit, the GSIS shall inform the legal heirs of the collectible (through a CL) and the basis thereof, and the need to settle such collectible within 30 calendar days from receipt of the demand.
- 3) If no payment is received within the prescribed period, the OUCs shall provide the LSG, apart from a SOA of the amounts due from the deceased member's account, a discussion on the basis for the collection and a breakdown of the collectibles as the LSG's basis for legal action.

b. For members who died with previously processed and paid claim, the GSIS shall:

- 1) Immediately stop the disbursement of:
 - a) Old-age pension if the deceased member is a pensioner;
 - b) Survivorship pension of legal heir/s, if any; and/or
 - c) Funeral benefit and Death benefit, if not yet paid.
- 2) Inform the legal heir/s that the GSIS received a copy of the decision dismissing the member from the service, and as a result, the GSIS recomputed his or her previously paid retirement benefit, as well as other benefits, if any;
- 3) The following shall be recovered from the member:
 - a) Gross amount of retirement or separation benefit, including survivorship benefit and pension of legal heirs, if any;
 - b) Gross amount of funeral benefit and death benefit, if any;
 - c) 50 percent of CSV/TV;
 - d) OBAL of Pension Loan, if any, as of date of the decision;
 - e) OBAL of CLASP, if any, as of date of the decision; and
 - f) OBAL of service loans, if any, if the dismissed member's retirement benefit resulted in ZERO proceeds, as of date of processing of retirement benefit.

However, if the date of death precedes the date of the decision, the LRI shall cover for the OBAL of Pension Loan, CLASP and service loans, if any, following applicable rules on LRI and the same shall not be collected.

- 4) In case of deficit, the GSIS shall inform the legal heirs of the collectible (through a CL) and the basis thereof, and the need to settle such collectible within 30 calendar days from receipt of the demand.
- 5) If no payment is received within the prescribed period, the OUCs shall provide the LSG, apart from a SOA of the amounts due from the deceased member's account, a discussion on the basis for the collection and a breakdown of the collectibles as the LSG's basis for legal action.
- 6) The interest rate to be charged to the account of the deceased dismissed member or his or her legal heirs, as applicable, shall be as follows:

Account	Interest Rate to be Applied	Covered Period for Imposition of Interest
Gross amount of retirement/separation benefit, including survivorship benefit and pension of legal heirs, funeral and death benefits, if any	Legal interest rate of 6% per annum	Date of the decision or date of death, whichever is earlier, until date of full return of the benefit by the legal heirs
OBAL of Pension Loan and CLASP	12% interest pacm and 6% surcharge pacm	Date of the decision or date of death, whichever is earlier, until fully paid
OBAL of service loans	12% interest pacm and 6% surcharge pacm	Date following the date of processing of retirement benefit or date of death, whichever is earlier, until fully paid

5. REVERSAL OF THE DECISION OF DISMISSAL FROM SERVICE

In the event that the decision dismissing the member is reversed or modified with finality:

a. NO PROCESSED CLAIM UPON RECEIPT OF ENTRY OF JUDGMENT

All benefit entitlements of the member shall be processed and paid in accordance with existing policies of the GSIS.

b. WITH PREVIOUSLY PROCESSED AND PAID CLAIM UPON RECEIPT OF ENTRY OF JUDGMENT

The GSIS shall recompute the benefit of the member and shall:

- 1) Restore all benefits the member is entitled to;

- 2) Refund all excess payments, if any; and
- 3) In case of deficit, collect the deficiency through pension deduction, if applicable.

To determine the correct OBAL to be used in the recomputation of benefits, the existing GSIS policy on reckoning dates in the accrual of interests for service loans shall apply.

F. METHOD OF PAYMENT

1. Disbursements arising out of these guidelines shall be paid through eCrediting for those with activated eCards or UMID cards, or through check for those without eCards or UMID cards (e.g., inactive members or those who are not members of the GSIS).
2. For amounts to be collected from the dismissed member, the method of payment shall be in accordance with the existing GSIS policy on collection of outstanding service loan balances of inactive members or policies on collection through legal action, as applicable.

G. APPLICATION OF PAYMENT

The order of priority for the application of any payment received from the dismissed member or his or her legal heirs, as applicable, shall be as follows:

1. For Benefit/s including pension/s:
 - a. Interest
 - b. Retirement/separation benefit
 - c. CSV/TV
 - d. Old-age pension, if any
 - e. Survivorship benefit of legal heirs, if any
 - f. Survivorship pension of legal heirs, if any
 - g. Death benefit, if any
 - h. Funeral benefit, if any
2. For Loans:
 - a. Surcharge
 - b. Interest
 - c. Principal Amount

ORIGINAL SIGNED

ROLANDO L. MACASAET

President and General Manager

Date Signed FEB 19 2021

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M.C. RUTH ALMIRA C. VASQUEZ
Records Officer
Office of the Corporate Secretary
26 February 2021