



Republic of the Philippines
NATIONAL POLICE COMMISSION
NATIONAL HEADQUARTERS, PHILIPPINE NATIONAL POLICE
OFFICE OF THE CHIEF, PNP
Camp BGen Rafael T Crame, Quezon City

JAN 19 2021

PNP MEMORANDUM CIRCULAR
NO.: 2021-005

AMENDING CERTAIN PROVISIONS OF PNP MEMORANDUM CIRCULAR NO. 2020-019 DATED MARCH 10, 2020 ENTITLED "COMPREHENSIVE POLICIES, GUIDELINES AND PROCEDURES IN THE IMPLEMENTATION OF THE PNP AUTOMATIC PENSION DEDUCTION SCHEME (APDS)" TO PROHIBIT THE USE OF APDS BY PNP PENSIONERS FOR PAYMENT OF LOANS CONTRACTED AFTER ACTIVE SERVICE OR DURING RETIREMENT PERIOD

1. REFERENCES:

- a. PNP Memorandum Circular (MC) No. 2020-019 dated March 10, 2020 with subject: Comprehensive Policies, Guidelines and Procedures in the Implementation of the PNP Automatic Pension Deduction Scheme (APDS); and
- b. DOJ Opinion No. 7, s. 2017 dated June 06, 2017.

2. RATIONALE:

This MC prescribes the policies which will exclude in the coverage of APDS the capital contributions, loan amortizations, and other similar deductions from the pension of PNP pensioners if the loans and other similar financial agreements were contracted and the financial obligations were incurred by the PNP pensioners after the period of active service or during period of retirement.

3. PURPOSE:

This PNP MC provides revised guidelines and procedures that disallow or prohibit the utilization of the PNP Automatic Pension Deduction Scheme (APDS) in the payment of loans and other similar financial obligations incurred by PNP pensioners after the period of active service or during period of retirement.

4. AMENDMENTS:

- a. A new subsection shall be added at the end of paragraph 4. **PURPOSES:** to be known as e. and to read as follows:

"e. To disallow or prohibit the use of the APDS in the payment of loans, capital contributions, and other similar financial agreements

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contracted by PNP pensioners after the period of active service or during period of retirement.”

- b. Paragraph 5. DEFINITION OF TERMS: subsection c. is hereby amended to read as follows:

*“c. **Authority for Pension Deduction (APD)** – refers to the document executed by PNP pensioners authorizing the PNP to make deductions from their monthly pension only in so far as it is applicable to loans and such other similar deductions contracted or incurred by PNP pensioners during the period of active service or prior to the period of retirement and shall exclude such loan payments or similar deductions contracted or incurred by PNP pensioners after the period of active service or during the period of retirement.”*

- c. Paragraph 5. DEFINITION OF TERMS: subsection e. is hereby amended to read as follows:

*“e. **Automatic Pension Deduction Scheme (APDS)** – refers to the system whereby monetary obligations of PNP pensioners are deducted outright from their pension in favor of any accredited FI exclusively for payment of loans contracted or incurred by PNP pensioners during the period of active service or prior to the period of retirement.”*

- d. Paragraph 6. GUIDELINES:, subsection a. General Guidelines, item 4) is hereby amended to read as follows:


“4) For the purpose of APDS, only NSSLAs, Rural Banks, and Cooperatives are allowed to avail of the PDLIS pursuant to RA No. 8367, RA No. 7353 in accordance with Section 7 of the NSSLA Law and RA No. 6938, respectively, but only in so far as it is applicable to loans and such other similar deductions contracted or incurred by PNP pensioners during the period of active service or prior to the period of retirement and shall exclude such loan payments or similar deductions contracted or incurred by PNP pensioners after the period of active service or during the period of retirement.”

- e. Paragraph 6. GUIDELINES:, subsection a. General Guidelines, item 7), subitem b) is hereby amended to read as follows:

“b) APDS shall NOT be allowed in the payment of loans and other similar deductions contracted by PNP pensioners after the period of active service or during period of retirement.

- f. Paragraph 6. GUIDELINES:, subsection b. Specific Guidelines, item 8) **Loans contracted after retirement** is hereby repealed. A new provision is inserted to read as follows:

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"8) Loans and other similar financial agreements contracted by PNP pensioners after the period of active service or during period of retirement shall NOT be allowed to utilize the APDS."

5. GUIDELINES:

- a. Supplemental guidelines may be issued by the concerned offices to effectively implement this MC with the approval of the CPNP; and
- b. Lateral coordination is encouraged.

6. PENALTY CLAUSE:

Any accredited entity/institution which shall violate their Memorandum of Agreement (MOA) with the PNP or pertinent laws, rules, and regulations in the implementation of the APDS, after notice and hearing, shall be penalized with suspension of accreditation. Subsequent violation shall then be a basis for the cancellation of accreditation and without prejudice to civil actions that the concerned parties may file to protect their respective interest

PNP personnel who will be found remiss of their duties and responsibilities shall be charged and held liable in accordance with existing laws, rules and regulations.

Accredited FIs that violate the policies herein shall be subject to investigation, and shall be reported to the CAAD and/or other proper authorities for appropriate sanctions.

7. REPEALING CLAUSE:

All previous directives and issuances inconsistent with any provisions of this PNP MC are hereby rescinded and/or modified accordingly.


8. FAVORABLE CONSTRUCTION:

Notwithstanding any other provisions stipulated in PNP MC No. 2020-019 dated March 10, 2020 with subject: Comprehensive Policies, Guidelines and Procedures in the Implementation of the PNP Automatic Pension Deduction Scheme (APDS) and other related MCs, any ambiguities in PNP MC No. 2020-019, or in any other related policies in the utilization and implementation of the APDS, shall be construed in favor of conforming to or aligning with DOJ Opinion No. 7, s. 2017 which states that: *"... loans contracted after retirement cannot be outrightly be withheld and deducted to their retirement pension..."*

9. TRANSITORY PROVISION:

This MC shall have a prospective application.

All loans and similar financial agreements contracted by PNP pensioners prior to the effectivity of this MC shall continue to be included in the coverage of the APDS until fully paid.

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Restructuring of loans or renewal of loans by PNP pensioners shall be considered as new loan applications.

Payment of loans and other similar deductions contracted by PNP personnel after the period of active service or during period of retirement after the effectivity of this MC shall not be covered by the APDS.

10. EFFECTIVITY:

This MC shall take effect 15 days from the filing of a copy hereof at the University of the Philippines Law Center in consonance with Sections 3 and 4 of Chapter 2, Book VII of Executive Order No. 292, otherwise known as "The Revised Administrative Code of 1987," as amended.



DEBOLD M SINAS
Police General
Chief, PNP

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