



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

MAY 06 2021

PNP MEMORANDUM CIRCULAR

No.: 2021-039

AMENDING CERTAIN PROVISIONS OF PNP MEMORANDUM CIRCULAR NO. 2020-20 DATED MARCH 13, 2020, ENTITLED "COMPREHENSIVE POLICIES, GUIDELINES AND PROCEDURES IN THE IMPLEMENTATION OF THE PNP AUTOMATIC SALARY DEDUCTION SCHEME (ASDS)" AND FURTHER AMENDING CERTAIN PROVISIONS OF PNP MEMORANDUM CIRCULAR NO. 2020-19 DATED MARCH 10, 2020, ENTITLED "COMPREHENSIVE POLICIES, GUIDELINES AND PROCEDURES IN THE IMPLEMENTATION OF THE PNP AUTOMATIC PENSION DEDUCTION SCHEME (APDS)"

1. REFERENCES:

- a. PNP Memorandum Circular (MC) No. 2020-20 dated March 13, 2020 with subject: Comprehensive Policies, Guidelines and Procedures in the Implementation of the PNP Automatic Salary Deduction Scheme (ASDS); and
- b. PNP MC No. 2020-19 dated March 10, 2020 with subject: Comprehensive Policies, Guidelines and Procedures in the Implementation of the PNP Automatic Pension Deduction Scheme (APDS).

2. RATIONALE:

This PNP MC prescribes that PNP accredited Financial Institution/s shall enjoy such privilege of using the Automatic Pension Deduction Scheme (APDS) and Automatic Salary Deduction Scheme (ASDS) after they are accredited by the Chief, PNP upon recommendation of Committee on Accreditation for Automatic Deduction (CAAD). But such privilege can be withdrawn, for cause by the Chief, PNP. Their duties and obligations are embodied in their Certificate/s of Accreditation to be issued by the Chief, PNP.

3. PURPOSE:

This PNP MC shall provide the guidelines and procedures in the issuance of Certificate of Accreditation to Financial Institutions which shall serve as the official document in the accreditation of these entities in availing the automatic deduction scheme of the PNP.

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4. DEFINITION OF TERM:

Certificate of Accreditation (CoA) – is a document issued to accredited Financial Institution/s by the PNP as a proof of accreditation citing therein the duties and obligations of both Parties.

5. AMENDMENTS:

- a. Paragraph (t) of Section **5. DEFINITION OF TERMS** of PNP MC No. 2020-020:

xxx

“t. Memorandum of Agreement (MOA) – is a document executed between parties to cooperate on an agreed upon project or meet an agreed objective.”

xxx

is hereby repealed.

- b. Subparagraphs (6) and (7) of Subsection **(a.) General Guidelines** under Section **6. GUIDELINES** of PNP MC No. 2020-020 hereby amended to read as follows:

xxx

“(6) For the purpose of ASDS, a standard Certificate of Accreditation (CoA) shall be prepared for FIs authorized under the GAA to avail of automatic salary deduction scheme through SDLIS;

(7) The CoA shall include provisions for the payment of service fee which shall be in a certain percentage, as provided for in the negotiated agreement, of the total monthly collections made due the accredited FIs. The Committee could negotiate for another rate prescribed therein, if warranted and if it will not unduly burden PNP personnel or retirees;”

xxx

- c. Subparagraphs (f) and (j) of **(1) ACCREDITATION OF FINANCIAL INSTITUTIONS (FIs)** of Subsection **b. Specific Guidelines** under Section **6. GUIDELINES**, of PNP MC No. 2020-020:

xxx

“(f) All applications for accreditation shall be accompanied by a prepared MOA and shall be processed by the appropriate office in charge;”

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“(j) The MOA entered into and by any accredited entity with the PNP thru the Committee shall be valid for a period of two (2) years from the date of its approval by the Chief, PNP and may be renewed upon compliance with the requirements for such purpose;”

xxx

are hereby repealed.

- d. Subparagraph (h) of **(1) ACCREDITATION OF FINANCIAL INSTITUTIONS (FIs)** of Subsection **b. Specific Guidelines** under Section **6. GUIDELINES** of PNP MC No. 2020-020 is hereby amended to read as follow:

xxx

“(h) Once the Resolution is approved, the Certificate of Accreditation shall be prepared for conformity of the FIs;”

xxx

- e. Subparagraph 1.e.2 of **(1) ACCREDITATION OF FINANCIAL INSTITUTIONS (FIs)** of Subsection **b. Specific Guidelines** of Section **6. GUIDELINES** of PNP MC No. 2020-020 is hereby amended to read as follow:

xxx

“(2) For renewal of accreditation, submit the same requirements stated in para e.1 except item e.1.e.”

xxx

- f. Subparagraph (2) and (4) of **a) The following are grounds for termination of accreditation of FIs in the PNP Automatic Salary and Pension Deduction Scheme (ASPDS), of (2) TERMINATION OF ACCREDITATION OF FINANCIAL INSTITUTIONS (FIs)** of Subsection **b. Specific Guidelines** under Section **6. GUIDELINES** of PNP MC No. 2020-020 is hereby amended to read as follow:

xxx

(2) Non-renewal of accreditation after expiration of Certificate of Accreditation pertaining to automatic salary and pension deduction between the PNP and concerned FIs:

xxx

(4) Non-compliance to the provisions stipulated in the Certificate of Accreditation.

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xxx

- g. Subparagraph (b) of **(2) TERMINATION OF ACCREDITATION OF FINANCIAL INSTITUTIONS (FIs)** of Subsection **b. Specific Guidelines** under Section **6. GUIDELINES** of PNP MC No. 2020-020 is hereby amended to read as follow:

xxx

(b) In case of non-renewal of accreditation after expiration of Certificate of Accreditation, the concerned FI shall be given a 60-day grace period from the date of expiration to renew accreditation unless there is urgent reason to terminate accreditation at once."

xxx

- h. Subparagraph (c) of **(2) TERMINATION OF ACCREDITATION OF FINANCIAL INSTITUTIONS (FIs)** of Subsection **b. Specific Guidelines** under Section **6. GUIDELINES** of PNP MC No. 2020-20 shall be read as follow:

xxx

"(c) The Committee deems it necessary to strengthen its authority to make recommendation to the Chief, PNP for the unilateral cancellation of Certificate of Accreditation and the withdrawal of privileges in the ASPDS, based on legally justifiable circumstance."

xxx

- i. Subparagraph b.3 of **c. COMPOSITION AND FUNCTIONS OF THE COMMITTEE ON ACCREDITATION FOR AUTOMATIC DEDUCTION (CAAD), (3) AUTOMATIC SALARY DEDUCTION SCHEME (ASDS)** of Subsection **b. Specific Guidelines** under Section **6. GUIDELINES** of PNP MC No. 2020-020 which read as follows:

xxx


"3) The entry into a Memorandum of Agreement (MOA) with accredited entities for the availment of the ASPDS subject to the approval of the Chief, PNP;"

xxx

is hereby repealed.

- j. Subparagraph b.4 of **c. COMPOSITION AND FUNCTIONS OF THE COMMITTEE ON ACCREDITATION FOR AUTOMATIC DEDUCTION (CAAD), (3) AUTOMATIC SALARY DEDUCTION SCHEME (ASDS)** of

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Subsection **b. Specific Guidelines** under Section **6. GUIDELINES** of PNP MC No. 2020-020 which read as follow:

xxx

"4) The incorporation in the Certificate of Accreditation of a provision for the payment of service fee which shall be at certain percentage of the total monthly collections made in favor of the accredited FIs. The Committee, if warranted and if it will not unduly burden PNP personnel, could negotiate for another rate prescribed herein;"

- k. Subparagraph 2.c of Subsection **a. ASDS THROUGH THE SDLIS, FIs and the management of PNPFS shall observe the following:** under Section **7. PROCEDURES** of PNP MC No. 2020-020 which read as follow:

xxx

"c) For FIs accredited by the CAAD, a certified copy of the Certificate of Accreditation shall be submitted to the RCD, PNPFS for reference in the processing of Billing Reports for the collection of payment of loans through automatic salary deduction, and subsequent remittance of collections; and"

xxx

- l. Subparagraph (7) of Subsection **a. ASDS THROUGH THE SDLIS, The ASDS shall be implemented through the SDLIS in the following procedures:** under Section **7. PROCEDURES** of PNP MC No. 2020-020 which read as follow:

xxx

"7) The PNPFS may request and/or recommend to the CAAD for the suspension or revocation of the Certificate of Accreditation for valid reasons, such as those that will affect system security and proper implementation. Consequently, the concerned FI's authority to access the SDLIS shall be suspended or permanently cancelled. PNPFS shall submit report to the CAAD for their information, reference, and/or appropriate action;"

xxx

- m. First Paragraph of Section **9. PENAL CLAUSE:** of PNP MC No. 2020-020 which read as follow:

xxx

"Any accredited entity/institution which shall violate their MOA with the PNP or pertinent laws, rules and regulations in the implementation of

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the automatic salary and pension deduction scheme, 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” xxx

is hereby repealed.

- n. Subparagraph No. 5 of Subsection **a. General Guidelines** under Section **6. GUIDELINES** of PNP MC No. 2020-019 which read as follow:

xxx

“5) The MOA to be entered into by and between the PNP and FIs shall include provisions for the payment of service fee which shall be in a certain percentage, as provided for in the negotiated agreement, of the total monthly collections made due the accredited FIs. The Committee could negotiate for another rate prescribed herein, if warranted and if it will not unduly burden PNP retirees;” xxx

is hereby repealed.

- o. Subparagraph No. 3 of Subsection **b. Specific Guidelines** under Section **6. GUIDELINES** of PNP MC No. 2020-019 merely amended to read as follow:

xxx

“3) It shall be the responsibility of the FIs to validate all the entries and the authenticity of the required documents attached/submitted for reservation or uploading in the PDLIS. FIs which will be found to violate this provision shall be penalized under the provisions of the Certificate of Accreditation between the PNP and FIs.”

xxx

- p. Subparagraph No. 7.c of Subsection **b. Specific Guidelines** under Section **6. GUIDELINES** of PNP MC No. 2020-019 merely amended to read as follow:

xxx

“c) In instances of delay in the release of retirement benefits or monthly pension, any outstanding loan balance of retiring personnel shall not have any interest, surcharge or penalty, provided that the delay is not due to the fault of the retiree. This agreement will be part of the Certificate of Accreditation between the PNP and accredited NSSLAs and Cooperatives.”

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xxx

- q. Subparagraph No. 7.g of Subsection **b. Specific Guidelines** under Section **6. GUIDELINES** of PNP MC No. 2020-019 merely amended to read as follow:

xxx

“g. PRBS shall furnish FS on a monthly basis, the list of retiring/retired PNP personnel whose principal loan obligations were partially implemented and those who availed of the outright pension including therein the amount to be deducted in their monthly pension and the Number of Remaining Installments (NRI).”

xxx

- r. Subparagraph (a) of Subsection **a. The following are the responsibilities of concerned offices and entities: (1) CAAD** under Section **7. PROCEDURES:** of PNP MC No. 2020-019 merely amended to read as follow:

“a) CAAD to assess applications for the APDS and subsequently issue a Certificate of Accreditation to FIs;” xxx

- s. Last paragraph of Subsection **e. Report Generation: (9) Registry, b. The APDS shall be implemented through the PDLIS in the following procedures:** under Section **7. PROCEDURES:** of PNP MC No. 2020-019 shall be read as follows:

xxx

“FS may request and/or recommend to the CAAD the suspension or revocation of the Certificate of Accreditation of the concerned FI for valid reasons, such as those that affect the proper implementation and security of the system. Consequently, the concerned FIs authority to access the PDLIS shall be suspended or permanently cancelled. FS shall submit a report to the CAAD for their information, reference, and/or appropriate action.”

xxx

- t. Subparagraph a.1 of Subsection **(e) Institutions (FIs, Provident Fund, Cooperative), e. Responsibilities of Users of the PDLIS:** under Section **7. PROCEDURES:** of PNP MC No. 2020-019 shall be read as follow:

xxx

“(1) Copy of the valid Certificate of Accreditation between the PNP and the FI to deduct from the pension of the PNP pensioners.” xxx

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- u. Subparagraph b of Subsection **(4) Finance Service, e. Responsibilities of Users of the PDLIS:** under Section 7. **PROCEDURES:** of PNP MC No. 2020-019 shall be read as follow:

xxx

“b) Chief, PGS, FS shall be the system administrator, and shall be given specific tasks pertaining to configuration of changes in the system/program; provision of support to the network, hardware and/or system maintenance of security policies, troubleshooting; training and supervision of PGS personnel; and perform other tasks as deemed necessary.”

xxx

- v. Paragraph of Subsection **(2) Remittance of Deductions, f. Administration of the PDLIS:** under Section 7. **PROCEDURES:** of PNP MC No. 2020-019 shall be read as follow:

xxx

“FS shall prepare the vouchers and the checks/LDDAP ADA representing the collection of the FIs and release the same not later than what has been provided in the Certificate of Accreditation.”

xxx

- w. First Paragraph of Section **9. PENALTY CLAUSE:** of PNP MC No. 2020-019:

“Any accredited entity/institution which shall violate their MOA with the PNP or pertinent laws, rules and regulations in the implementation of the automatic salary and pension deduction scheme, 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”

xxx

is hereby repealed.

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5. CERTIFICATE OF ACCREDITATION:

The Certificate of Accreditation mentioned in this MC is hereby worded as follows:

Certificate of Accreditation

is awarded to

Guidelines

- I. The accreditation of Financial Institutions (FIs) in Automatic Pension Deduction Scheme (APDS) and Automatic Salary Deduction Scheme (ASDS) is a privilege that can be withdrawn, for cause, by the Chief, PNP;
- II. No deduction shall be made in favor of any FIs not duly accredited by the PNP Committee on Accreditation for Automatic Deduction (CAAD); and
- III. The accreditation of FIs shall be valid for a period of two (2) years from the date of its approval by the Chief, PNP and may be renewed upon compliance with the requirements for such purpose and existing policies.
- IV. That there must be an active member in the Board of Trustees.
- V. That the Authority of the Chief, PNP over all PNP personnel must be duly-acknowledged.

Duties and Obligations

1. The Financial Institution (FI) shall uphold the best interest of the public safety sector in the country, including the active and retired members of the PNP as well as providing the PNP with support in its meaningful projects and in times of disasters and other emergencies as well as to make annual allocation of funds from its Operational Budget purposely to cater to the former's request for assistance and donations in line with that purpose;
2. The FI agrees and obligates itself to pay the PNP a Service Fee which shall be 1% of its total monthly collections (For Cooperatives, Insurance Companies and Mutual Benefit Associations);
3. The FI agrees and obligates itself to pay the PNP a Service Fee which shall not exceed ½ of 1% of its total collections, net of capital contributions/deposits, pursuant to Bangko Sentral ng Pilipinas (BSP) Circular No. 368 Series of 2003 (FOR NSSLAs);
4. The FI warrants the implementation of salary and pension deduction shall:
 - a. In no case, reduce the employee's monthly net take home pay (NTHP) to an amount lower than that prescribed by the annual GAA or such other laws as may hereafter be promulgated;
 - b. In no case, reduce the monthly pension to less than Six Hundred Fifty Pesos (Php 650.00) per month in accordance with PNP Memorandum Circular No. 2014-029; and
 - c. In no case exceed fifty percent (50%) of the retirement and separation benefits/claims due a retiring/separated PNP personnel, as limited by NAPOLCOM Board Resolution No. 8;
5. The FI shall submit to the PNP the Authority to Deduct (ATD) Form/s duly accomplished and signed by the concerned PNP personnel to validate the deduction request of the said PNP personnel;
6. The FI may not avail of the ASDS on loan amortizations covering the following PNP personnel:
 - a. Those who have PNP pending criminal and/or administrative case/s, subject to the availability of updated list from the PNP;
 - b. Those newly appointed NUPs who have not yet completed their six (6) months probationary period;
 - c. Those on temporary status, as defined under Section V of the NAPOLCOM Circular 2003-009;

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- d. Those whose NTHP, after deducting the monthly premiums/amortizations, will be reduced to an amount less than that prescribed by the annual GAA or such other laws as may hereafter be promulgated, excluding the Subsistence Allowance (SA) for uniformed personnel.
7. The FI shall furnish the PNP with any and all documents pertaining to the loan obligation/s of the retiring/retired PNP personnel, as may be required by the latter under any applicable rules, regulations and/or memorandum circulars;
8. At times, the release of the retirement benefits or monthly pension of the PNP personnel might be delayed. During such delay, the outstanding loan balance of the retiring PNP personnel shall not be charged any interest, surcharge or penalty by the FI, provided that the delay is reasonable and not due to the fault of the retiree;
9. The FI shall ensure the correctness of all entries in the PDLIS and validate the authenticity of all required documents attached to the PDLIS. The PNP shall not be held accountable for any incorrect/invalidated attachments made by the FI in the PDLIS;
10. The PNP shall not be faulted for penalties and charges for stoppage of loan deductions resulting from the implementation of forfeiture of pension in favor of the government or court order;
11. The PNP shall not implement any deductions unless the documentary requirements are duly complied with by the FI. The latter shall ensure complete submission as well as the authenticity of the documents submitted, as herein required;
12. In the event of full settlement of the loan obligation, the FI shall accept the payment of the PNP member and the FI shall issue a validated receipt and certificate of full payment as proof;
13. The FI shall not pass on to the borrowers the systems administration fee;
14. The FI shall not impose any fee, charge or interest to its borrowers due to late remittances of the PNP, provided that the delay was not due to the fault or negligence of the latter;
15. The FI warrants that all obligations contracted by qualified PNP personnel are in fact made from the former and not with any other entity or institution, whether or not accredited by the CAAD. Should the PNP discover that the billing includes obligations obtained by PNP personnel with other entities but were submitted by the former as if contracted from it, the latter shall have the option to unilaterally rescind the accreditation and, thereafter, impose appropriate sanction upon the former in accordance with existing rules and regulations; and
16. In cases of multiple loans contracted from different financial institutions accredited by the PNP through its CAAD, the order of preference prescribed in pertinent rules and regulations shall be strictly observed.

Privileges

1. The FI shall enjoy the benefits of Automatic Salary and Pension Deduction Scheme;
2. Assistance in the FI's prompt collection and subsequent remittance from PNP personnel;
3. The FI acknowledges that the monthly deductions shall be implemented by the PNP for as long as the PNP personnel concerned is still in the police service. Upon separation of the PNP personnel, the provisions of Memorandum Circular Nos. 2014-029 and 2014-042, as amended, shall prevail, except in case of death;
4. The amount deducted shall be remitted by the PNP on or before the end of the collection month;
5. The PNP shall deduct the FULL amount of the loan and/or monthly amortization due it from the retirement and separation benefits/claims or retirement pension of members with outstanding loan obligations from it. At no instance should the deduction be less than the loan amortization indicated in the Authority to Deduct (ATD) executed by the member;
6. In case of retirement pensions, the amount deducted shall be remitted by PNP to the FI on or before the end of the collection month; while for retirement and separation benefits/claims, the amount deducted shall be remitted by the PNP to it within fifteen (15) days from deduction the PNP personnel's retirement and separation benefits/claims;
7. Should the outstanding loan balances be greater than the retirement/separation benefits/claims available, the remaining loan balance shall be collected through the retiree's monthly pension in accordance with the monthly billing submitted by the FI; and
8. The PNP shall not unilaterally stop, reduce or understate the deductions with the express consent of the FI.

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DENNIS C. DE GUZMAN
 Police Lieutenant Colonel
 Administrative Officer, DC

Issued on: _____

Chief, Philippine National Police

Signed in Conformity:

6. 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.

7. REPEALING CLAUSE:

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

8. TRANSITORY PROVISION:

This MC shall have a prospective application.


Restructuring of loans or renewal of loans by PNP pensioners shall be considered as new loan applications, thus shall not be covered by the APDS.

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 be covered by the APDS.

9. 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 Section 3 and 4, Chapter 2, Book VII, EO No. 292, otherwise known as the "Revised Administrative Code of 1987," as amended.




DEBOLD M SINAS
Police General
Chief, PNP

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