PRESS RELEASE

Statement on DepEd's coordination with GSIS on undeducted outstanding loans

PASIG CITY, September 17, 2018 – The Department of Education (DepEd) would like to assure its teaching and non-teaching personnel that the agency is taking steps to address the problem of undeducted Government Service Insurance Service (GSIS) loans that reportedly resulted in the imposition of penalties, surcharges, and compounded accrued interest.

As the Department understands the difficulty being faced by affected member-borrowers who truly want to pay and reduce their loans, it has made an appeal to GSIS to reconsider the payment of their outstanding loans that have accumulated huge interests over the years.

DepEd has written the GSIS, appealing for the extension of the September 30, 2018 deadline to December 31, 2018 for all member-borrowers to update and settle their past due accounts such that penalties and surcharges on their past due loans may be waived. In addition, DepEd has requested the GSIS for condonation of compounded accrued interest on past due loans.

The Department is further seeking the possibility of requesting GSIS to waive imposing surcharges to enable affected member-borrowers to focus on the payment of the principal and the interest. It is understood that interest on GSIS loans form part of the social fund used to pay the benefits and pension of retired government workers, which include DepEd teaching and non-teaching personnel, and cannot be waived.

Under the Automatic Payroll Deduction System (APDS) of DepEd, GSIS contributions and loans are among the priority mandatory financial obligations that are automatically deducted from the member-borrower's salary every month. However, to be able to make the automated deduction, DepEd first has to receive the electronic billing statement from GSIS – which, in the reported cases, were not reflected. DepEd will meet with GSIS to look into the reasons why this happened.

Consistent with its continuous efforts to expand employee welfare, DepEd is persistent in finding ways to help improve the financial situation of both its teaching and non-teaching personnel and to enable them to retire comfortably after decades of hard work.

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