

MEMORANDUM CIRCULAR

FOR : HEADS OF CONSTITUTIONAL BODIES; DEPARTMENTS, BUREAUS AND AGENCIES OF THE NATIONAL GOVERNMENT; LOCAL GOVERNMENT UNITS; GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS WITH ORIGINAL CHARTER; AND STATE UNIVERSITIES AND COLLEGES; FINANCE/DISBURSING/ ADMINISTRATIVE OFFICERS; AND, AUTHORIZED AGENCY OFFICERS

SUBJECT : REITERATION OF PROCEDURES ON REMITTING GSIS PREMIUMS AND UPDATING MEMBERSHIP RECORDS

All head of government agencies are enjoined to ensure compliance with the following procedures on remitting GSIS premiums:

- (1) Interests on delayed remittance are paid separately and not incorporated in the regular monthly remittance of premium payments of government agencies. Such transactions are treated independently of the regular monthly remittance.

Moreover, interest repayments on delayed remittance are not sourced from payroll deductions pursuant to Republic Act 8291, otherwise known as the GSIS Act of 1997, which states that:

*SEC.7. Interest on Delayed Remittances- Agencies which delay the remittance of any and all monies due the GSIS shall be charged interests as may be prescribed by the Board but not less that two percent (2%) simple interest per month. Such interest shall be paid by the employers concerned (underscoring supplied).*

- (2) Negative payments are excluded from the regular monthly remittance of GSIS premium payments of government agencies. Such transactions are dealt with separately to facilitate proper posting thereof.
- (3) The payment of premium for extra hazard or risk is no longer required and is not to be paid by the employer. Thus, it is no longer reflected in GSIS billing statements.
- (4) All government agencies are mandated to submit the Agency Remittance Advice (ARA) and Electronic Remittance File (ERF) promptly. The GSIS has set the first week of every month as the deadline for the submission of ARA and ERF.

The prompt submission of the ARA and ERF guarantees the accuracy of billing of premiums due and posting of remittances in the GSIS database.

The ARA indicates accurate information on GSIS member who have:

1. been newly-hired, re-employed, or reinstated (Form A)
2. been transferred (Form B)
3. obtained salary adjustments, increments (Form C)
4. been separated from the service due to resignation, separation, retirement (Form D)
5. changes in their personal data (Form E)

Meanwhile, the ERF accurately states the following members' information:

1. Business Partner (BP) Number
2. Last Name
3. First Name
4. Middle Initial
5. Prefix (i.e., Ma)
6. Appellation (if any, i.e., Sr., Jr., III, etc.)

The procedure above is provided under Section 6 of Republic Act 8291, to wit:

*SEC.6. – (1) The employer shall report to the GSIS the names of all its employees, their corresponding employment status, positions, salaries and such other pertinent information, including subsequent changes therein, if any, as may be required by the GSIS; the employer shall deduct each month from the monthly salary or compensation of each employee the contribution payable by him in accordance with the schedule prescribed in the rules and regulations implementing this act.*

For your guidance and compliance.

  
ROBERT G. VERGARA  
President and General Manager