

**[ GSIS Resolution No. 16, February 12, 2015 ]**

**APPROVAL OF THE POLICY AND PROCEDURAL GUIDELINES  
(PPG) ON THE RECKONING DATES IN THE ACCRUAL OF  
INTERESTS FOR SERVICE LOANS, AS AMENDED**

*Adopted: 12 February 2015*

*Date Filed: 03 March 2015*

WHEREAS, the Board issued Resolution No. 16 dated 27 February 2014, approving the Policy and Procedural Guidelines on the Reckoning Dates in the Accrual of Interests for Service Loans (PPG No. 252-14), to ensure the equitable computation of interest charges on service loans of retiring members;

WHEREAS, PPG No. 252-14 also clarified that the equitable computation of interest charges should apply to the service loans of members who separate from the service but who do not qualify for optional retirement;

WHEREAS, it was discovered that interest is still being charged by the System on the unmigrated loans of some retired or separated members, preventing them from fully enjoying their rightful benefit such as pension or cash payment;

WHEREAS, the Senior Vice President, NCR Operations Group, proposed that the equitable computation of interest charges should likewise apply to loan accounts with updated payments of retired or separated members, such that interest and penalty charges should not be imposed from October 2007 up to the date when they were notified of their correct loan balances;

RESOLVED, to **APPROVE** and **CONFIRM** the Policy and Procedural Guidelines on the Reckoning Dates in the Accrual of Interests for Service Loans, As Amended, as proposed by the Senior Vice President, NCR Operations Group in her Memorandum dated 05 January 2015;

RESOLVED FURTHER that Board Resolution No. 16 dated 27 February 2014, approving PPG No. 252-14, and all other existing policies, rules, guidelines, procedures, and internal issuances that are inconsistent herewith are hereby **MODIFIED, AMENDED, or SUPERSEDED** accordingly.

A copy of the PPG on the Reckoning Dates in the Accrual of Interests for Service Loans, As Amended, is made an integral part of this Resolution.

CERTIFIED CORRECT:

(SGD) ATTY. MARIA THERESA ABESAMIS-RAAGAS  
*Corporate Secretary*

Confirmed:

DANIEL L. LACSON, JR. (on leave)  
*Chairman*

(SGD) ROBERT G. VERGARA  
*Vice-Chairman*

(SGD) KARINA  
CONSTANTINO-DAVID  
*Trustee*

(SGD) GREGORIO T. YU  
*Trustee*

(SGD) ROMAN FELIPE S.  
REYES  
*Trustee*

(SGD) MARIO J. AGUJA  
*Trustee*

(SGD) ELISEA G. GOZUN  
*Trustee*

(SGD) ROMEO N. ALIP  
*Trustee*

(SGD) GERALDINE MARIE  
BERBERABE- MARTINEZ  
*Trustee*

FRANCISCO T. DUQUE III (on leave)  
*Trustee*

*Attachment:*

## **Policy and Procedural Guidelines No. 278-15**

### **Reckoning Dates in the Accrual of Interests for Service Loans, as Amended**

#### **I. BACKGROUND/RATIONALE**

PPG No. 252-14 (Reckoning Dates in the Accrual of Interests for Services Loans) was issued on 06 March 2014 to ensure the equitable computation of interest charges on service loans upon avilment of loan or upon claiming for benefits by the member.

However, the PPG was specific to retiring or separating members; and the issue on equitable computation of interest charges is a persistent concern of a retired or separated member who is being charged interests on loans (that was either not deducted from their claim or were deducted but understated) up to the present and therefore cannot enjoy their rightful benefit such as pension or cash payment.

The failure of these retirees or separated members to pay their loan balances cannot be solely attributed to them because the GSIS failed to compute their loan accounts and/or claim benefits correctly, and notify the members of their correct outstanding balances.

#### **II. OBJECTIVES**

This PPG seeks to provide an equitable computation of interests on service loans for both active and inactive GSIS members to ensure that no one is jeopardized by the