

[GSIS Resolution No. 193, December 11, 2014]

**APPROVAL OF THE REPEAL OF BOARD RESOLUTION NO. 166
DATED 28 JULY 2004**

Adopted: 11 December 2014

Date Filed: 26 January 2015

WHEREAS, pursuant to Board Resolution (BR) No. 166 dated 28 July 2004, GSIS adopted the policy the "EC claims of members paying P30.00 per month be paid proportionately at the rate of thirty percent (30%) of their processed claims";

WHEREAS, BR No 166 was adopted as a result of the failure of some government agencies to remit the correct amount of contribution of One Hundred Pesos (Php 100.00) upon the issuance by the Employees Compensation Commission (ECC) of Board Resolution No. 02-04-235, which increased the amount of contribution to the Employees Compensation Insurance Fund (ECIF) from Thirty Pesos (Php30.00) to one percent of the basic salary or Php100.00 per month per employee, whichever is lower, effective calendar year 2003;

WHEREAS, Article 196 (b) of Presidential Decree (P.D.) No. 626 provides that the *"failure or refusal of the employer to pay or remit the contributions herein prescribed shall not prejudice the right of the employee or his dependents to the benefits under this title"*;

WHEREAS, pursuant to Article 196 of P.D. No. 626, the ECC issued Resolution No. 1243 on 18 January 1979, which provides that *"the System shall pay the employee or his dependents all benefits due them under P.D. No. 626, as amended, without prejudice on its part to proceed against the erring employer"*;

WHEREAS, the ECC issued the following advisories in its Memorandum Circular No. 01-709 dated 22 July 2009:

1. Failure or refusal on the part of the employer to remit contributions to the System **shall not prejudice the right of the employee or the dependents to the benefits under the Employees' Compensation Program(ECP)**;
2. Payment made by the System to the employee or the dependents of whatever benefits to which they are entitled under the ECP shall not prejudice the right of the System to proceed against the erring employers.

WHEREAS, in connection with the quasi-judicial case filed by Norma F. Estioso, the Legal Services Group recommended the repeal of BR No. 166;