

[DBM CIRCULAR LETTER NO. 2003-05, April 21, 2003]

**FY 2003 FUNDING REQUIREMENTS FOR THE INCREASE IN THE
MAXIMUM LIMIT OF EMPLOYEES' COMPENSATION INSURANCE
PREMIUM (ECIP)**

1.0 Per Employees Compensation Commission (ECC) Board Resolution No. 02-04-235, the maximum limit of ECIP contributions has been increased from P30.00 to 1% of the basic salary or P100.00 per month per employee whichever is lower, effective January 1, 2003. Corollary to this, the Government Service Insurance System (GSIS) Board of Trustees issued Resolution No. 102 dated April 17, 2002 to inform its members of the increase.

2.0 For FY 2003, however, funding requirements for subject increase in ECIP contributions were not appropriated in the General Appropriations Act. The government's contribution to ECIP was computed at P360 per annum for filled itemized positions, or P30.00 per month, per employee.

3.0 As a general rule, disbursements of public funds must be covered by corresponding appropriations for the purpose. This is in line with Section 29(1) Article VI of the 1987 Constitution which states that:

"No money shall be paid out of the Treasury, except in pursuant of an appropriation made by law".

4.0 In the absence of appropriation/specific funding source for the subject increase in personnel benefits, these cannot be considered as liability on the part of the national government.

5.0 Thus, Departments/Agencies are hereby directed to limit the FY 2003 ECIP contribution to P360 per annum.

Adopted: 21 Apr. 2003

(SGD.) EMILIA T. BONCODIN
Secretary



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