

**Department of Budget and Management
Department of Finance
Social Security System
Government Service Insurance System**

September 20, 2012

JOINT CIRCULAR

No. 2012- 1

DBM-DOF-GSIS-SSS

FOR: Officials of the Government Service Insurance System, the Social Security System, Department of Finance, Department of Budget and Management and Others Concerned

SUBJECT: Guidelines on the Release and Purpose of the National Government (NG) counterpart fund allocated for the Government Service Insurance System - Social Security System (GSIS - SSS) Educational Assistance Fund Program (EAFP)

1.0 Purpose

- 1.1 To provide the guidelines on the release and purpose of the NG counterpart fund allocated for the implementation of the GSIS-SSS EAFP.
- 1.2 To define the roles and responsibilities of the agencies concerned during program implementation.

2.0 Coverage

This Joint Circular shall cover the release of the NG counterpart fund of P5.0 Billion in FY 2012 and any future appropriations that may be made available to institutionalize the implementation of the GSIS-SSS EAFP.

3.0 Rationale

To grant affordable educational cash loans to the respective qualified members of the GSIS and SSS.

4.0 General Guidelines

4.1 The NG subsidy releases shall be used to augment the funds of the GSIS and SSS allocated for the GSIS-SSS EAFP. The total respective available funds shall be used for the grant of Educational Loans as follows:

4.1.1 The GSIS shall extend a P 4,000.00 loan amount at 6% interest payable over a 5-year period to all its active members.

4.1.2 The SSS educational assistance package shall be offered under the following terms:

Particulars	Per Term	Total Loanable Amount*	Interest Rate	Repayment Period
Degree Course	P15,000	Accumulated semestral/trimestral/quarterly releases, as the case may be	NG - 0% SSS- 6%	5 years to start 18 months for semestral courses, 15 months for trimestral courses or 14 months and 15 days for quarter term courses from the scheduled last release date or from the date of last release for those who will not avail of the subsequent releases.
Technical / Vocational Course	P7,500	Accumulated semestral/trimestral releases as the case may be	NG - 0% SSS- 6%	3 years to start 18 months for semestral courses or 15 months for trimestral courses from the scheduled last release date or from the date of last release for those who will not avail of the subsequent releases.

*The total loanable amount shall be funded on a 50-50 basis by the NG and SSS.

Any future revision of the loan amount and the interest rates shall be subject to the approval of the Board of Trustees for the GSIS and the Social Security Commission for the SSS.

4.2 The initial grant of the EAFP shall be available from May to December 2012 for the GSIS, while in the case of SSS until the entire fund has been fully allocated.

4.3 Any succeeding NG funding requirements for the Program may be proposed for inclusion in the President's Budget for final consideration by the Congress of the Philippines.

4.3.1 As approved by the President on May 3, 2012, the total NG subsidy of P 5.0 Billion (P 1.5 Billion and P 3.5 Billion for the GSIS and SSS, respectively) charged against Unprogrammed Fund under the FY 2012 General Appropriations Act shall be released for the Program.

5.0 Responsibilities

5.1 The Department of Budget and Management (DBM) shall:

5.1.1 Release the allocated amount in the form of subsidy to the GSIS and SSS, through the Bureau of Treasury (BTr), upon submission of a request, subject to cash programming, budgeting, accounting, auditing, and other applicable laws, rules and regulations.

5.1.2 Recommend the inclusion in the annual President's Budget subsequent requirements for the Program, when still necessary, based on budget proposals submitted by the GSIS and SSS subject to pertinent budget preparation guidelines.

5.2 The Department of Finance (DOF) shall:

5.2.1 Certify through the BTr that the revenue collections exceeded the original revenue targets submitted by the President of the Philippines to Congress pursuant to Section 22, Article VII of the Constitution.

5.3 The Government Service Insurance System and the Social Security System shall:

5.3.1 Issue their respective Implementing Rules and Regulations on the grant of loans to their members under this Program, duly approved by the GSIS Board of Trustees and Social Security Commission, respectively.

5.3.2 Submit a request to the DBM for the release of funds based on the status and projected requirements of the EAFP.

5.3.3 Propose for inclusion in the annual President's Budget any subsequent requirements, through the submission of a budget

proposal in accordance with the annual budget call issued by the DBM.


- 5.3.4 Prepare the pertinent annual physical and financial reports showing the status of the fund, loan availment, income of the fund, beneficiaries, among others, for submission to the President, copy furnished the DBM and DOF.

6.0 Governing Clause

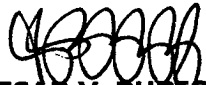
Issues arising from the implementation of this Joint Circular shall be resolved jointly by the DBM, DOF, GSIS and SSS.


7.0 Effectivity

This Joint Circular shall take effect immediately.


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