

VISAYAS STATE COLLEGE OF AGRICULTURE

Baybay, Leyte

OFFICE OF THE PRESIDENT

June 23, 1999

MEMORANDUM NO. 50
Series of 1999

To : All Contractual Employees and All Others Concerned

Subject: Payment of Government Share of Premiums for Retirement and Life Insurance (RLIP), Health Insurance (Medicare), Employees' Compensation Insurance (ECIP) and PAG-IBIG

1.0 Purpose.

This memorandum is issued to provide the salient provisions of the GSIS-DBM Joint Circular No. 99-3 dated 03 April 1999 which affects contractual employees. This pertains to the government statutory expenditures on Personal Services that are referred to as the government share of premiums for RLIP, Medicare, ECIP and PAG-IBIG.

2.0 Salient Provisions of JC No. 99-3

2.1 Issuances governing compulsory membership of contractual employees:

- RA 8291 (GSIS Act of 1997) provides that, "Membership in the GSIS shall be compulsory for all employees receiving compensation who have not reached the compulsory retirement age, irrespective of employment status, except members of the AFP and the PNP and contractals who have no employer and employee relationship with the agencies they serve."
- RA 7792 (amendatory law of PD 1752 and EO 90 on the coverage of the Home Development Mutual Fund, otherwise known as PAG-IBIG Fund) provides that, "Coverage of the Fund shall be mandatory upon all employees covered by the SSS and the GSIS, and their respective employers."

- RA 7875 and PD 626 provide for the mandatory provision to contractuels of health insurance and employment compensation insurance benefits, respectively.

2.2 Specific Guidelines

- Effective January 1, 1999, the required government share of premiums on RLIP, ECIP, Medicare and PAG-IBIG of contractual personnel shall be paid out of the 20% premium given them pursuant to Sec. 44 of the FY1999 GAA.
- The premium pay to be received by a contractual employee shall be adjusted accordingly net of the government statutory expenditures on Personal Services.
- Both employee and government shares shall be remitted by the agency directly to the GSIS in accordance with the prescribed period under RA 8291.

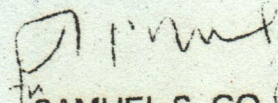
3.0 Effectivity

Inasmuch as the circular has just been received this month, effective July 1, 1999, the College shall not anymore pay the government share of such expenditures. Instead, the contractual employees shall be exempted from the monthly 3-day service breaks to augment the payment of the government share previously borne by the College.

4.0 Applicability

The above conditional requirements shall be applicable in succeeding years when the grant of premium pay for contractual personnel is so provided/authorized under the General Appropriations Act.

For information, guidance and compliance.


 SAMUEL S. GO
 President 6/30/99