



Republic of the Philippines
NATIONAL POLICE COMMISSION
NATIONAL HEADQUARTERS, PHILIPPINE NATIONAL POLICE
OFFICE OF THE CHIEF, PNP
Camp BGen Rafael T Crame, Quezon City

DEC 23 2022

MEMORANDUM CIRCULAR
NO.: 2022-134

**POLICIES, GUIDELINES, AND PROCEDURES IN THE IMPLEMENTATION
OF THE PNP AUTOMATIC SALARY DEDUCTION SCHEME
(PNP ASDS) FOR INSURANCE COMPANIES**

1. REFERENCES:

- a. Applicable Provisions of the General Appropriations Act (GAA);
- b. Republic Act (RA) No. 10607 dated August 15, 2013 entitled, "An Act Strengthening the Insurance Industry, Further Amending Presidential Decree No. 612, Otherwise Known As "The Insurance Code", As Amended by Presidential Decree Nos. 1141, 1280, 1455, 1460, 1814, and 1981, and Batas Pambansa Blg. 874, and for Other Purposes";
- RA No. 9829 dated December 3, 2009 entitled, "An Act Establishing the Pre-Need Code of the Philippines"; and
- PNP Memorandum Circular (MC) No. 2022-015 dated January 27, 2022 entitled, "Unified Policies, Guidelines, and Procedures in the Implementation of the PNP Automatic Salary and Pension Deduction Scheme (ASDPS)."

2. RATIONALE:

The personnel of the PNP have long intended to avail of insurance products and services offered by various insurance companies. Due to the nature of work being performed by PNP personnel in different units and offices, availment of insurance products and/or services may strengthen the financial security of PNP personnel and their families. This financial security among others, may contribute to increase efficiency in the performance of their duties and responsibilities.

3. SITUATION:

Through the enactment of the GAA FY 2022, deductions from salaries and other benefits accruing to any government employee chargeable against the appropriations for Personnel Services, may be allowed for the payment of an individual employee's contribution or obligations due to insurance companies. Thus, PNP personnel who intend to avail of the products and services of insurance companies may do so through deductions from their salaries and other benefits.

Subject: Policies, Guidelines and Procedures in the Implementation of the PNP Automatic Salary Deduction Scheme (PNP ASDS) for Insurance Companies

COMMITTEE ON ACCREDITATION FOR
AUTOMATIC DEDUCTION (CAAD)
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MD
PLTCOL RENA P CARACEDO
AS, MD/HEAD SECRETARIAT

This Memorandum Circular (MC) provides the policies, guidelines, and procedures in the implementation of automatic salary deduction through the PNP ASDS specifically for Insurance Companies offering insurance products or services to PNP personnel.

4. **PURPOSE:**

- a. To have a separate and distinct policy, guidelines, and procedures governing the implementation of the PNP ASDS for Insurance Companies;
- b. To strengthen the CAAD as the only body responsible for the accreditation of Insurance Companies in the ASDS;
- c. To establish procedures and effective control measures in the accreditation of Insurance Companies in the ASDS;
- d. To standardize the documentary requirements in the accreditation of Insurance Companies as well as provide guidelines in the issuance of Certificate of Accreditation (CoA) to Insurance Companies requesting for accreditation;
- e. To provide specific guidelines and procedures in the systematic implementation of the ASDS through the Salary Deduction and Loan Information System (SDLIS);
- f. To provide a more efficient service to the PNP personnel in the collection of deductions through an effective and efficient automatic salary deduction scheme and its remittance to Insurance Companies concerned; and
- g. To protect the best interest of the organization and its members/policy holders by imposing sanctions against erring entities that violate existing policies, rules and regulations in the implementation of the ASDS.

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5. **DEFINITION OF TERMS:**

- a. **Authorized Deductions** – refer to the deduction from salaries, emoluments or other benefits accruing to any government employee chargeable against the appropriations for Personnel Services for the payment of individual employee's contributions or obligations due to Government Financial Institutions (GFIs), PNP Provident Fund (PNPPF) and other Financial Institutions (FIs) based on its order of preference as provided for in the yearly General Appropriations Act (GAA). Such deductions shall not reduce the employee's monthly Net Take Home Pay (NTHP) as mandated by the yearly GAA.
- b. **Authorized Users** – refer to the active personnel of the PNP, the GFIs, the PNPPF, and the FIs who are duly designated to have access to the system. They shall be given a Username, and in turn, register their Password with the System Administrator or PNPFS Information Technology Project (ITP) personnel.

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- c. **Automatic Salary Deduction Scheme (ASDS)** – refers to the payment scheme wherein the PNP personnel authorize the PNP Finance Service (PNPFS) to deduct from their monthly salary a specific amount for the payment of any of the following: loan obligations, premiums, contributions, and other authorized deductions, and to remit the collected amount to the FIs and GFIs concerned.
- d. **Authorization to Deduct (ATD)** – refers to the document executed by active PNP personnel authorizing the PNP to make deductions from their salary in favor of an accredited FIs and GFIs.
- e. **Billing Report** – refers to the report submitted to the PNPFS by an accredited FI containing the names and the amounts that will be deducted from the individual PNP personnel's salary and/or pension accounts.
- f. **Committee on Accreditation for Automatic Deduction (CAAD)** – refers to the Committee created to accredit different FIs in the PNP ASPDS.
- g. **Certificate of Accreditation (CoA)** – refers to the document issued to accredited FIs by the PNP as a proof of accreditation citing therein the duties and obligations of both Parties.
- h. **Financial Institutions (FI)** – refer to the Non-Stock Savings and Loan Associations (NSSLAs), Cooperatives, Insurance Companies, and Mutual Benefit Fund Associations authorized by law.
- i. **General Appropriations Act (GAA)** – refers to the law that provides the annual financial operation of the whole government agency.
- j. **Health Maintenance Organization (HMO)** – refers to a network or organization that provides health insurance coverage for a monthly or annual fee. An HMO is made up of a group of medical insurance providers that limit coverage to medical care provided through doctors and other providers who are under contract with the HMO.
- k. **Insurance Commission (IC)** – refers to the Commission that supervises and regulates the operations of life and non-life companies, mutual benefit associations, HMOs, and trusts for charitable uses. It issues licenses to insurance agents, general agents, resident agents, underwriters, brokers, adjusters and actuaries. It has also the authority to suspend or revoke such licenses.
- l. **Insurance Companies** – refer to financial intermediaries which offer direct insurance or reinsurance services, providing financial protection from possible hazards in the future.
- m. **Pre-Need Companies** – refer to any corporation registered with the Commission and authorized/licensed to sell or offer to sell pre-need plans. The term "pre-need company" also refers to schools, memorial chapels, banks, nonbank financial institutions and other entities which have also

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been authorized/licensed to sell or offer to sell pre-need plans insofar as their pre-need activities or business are concerned.

- n. **List of Due and Demandable Accounts Payable with Advice to Debit Account (LDDAP-ADA)** – refers to an accountable form integrating the ADA with the LDDAP which is a list reflecting the names of creditors/payees to be paid by the Non-Government Agency (NGA)/Operating Unit and the corresponding amounts of their unpaid claims, duly certified and approved by the heads of the accounting unit and the agency, or authorized officials.
- o. **Maximum Amortization Amount** – refers to the amount, excluding the subsistence allowance and the minimum NTHP as provided for in the GAA, that can be used to settle loan obligations or monthly amortization for loans, insurance premiums, class contributions, capital contributions, salary assignment, adjustment in mandatory deductions, and other forms of deductions authorized by law.
- p. **Net Take Home Pay (NTHP)** – refers to the amount of total earnings minus the total authorized deductions, at the disposal of the PNP personnel that may be used to defray personal expenses and to pay for obligations as provided for in the yearly GAA.
- q. **Payslip** – refers to the summary of the gross earnings, deductions, and net pay of each PNP personnel.
- r. **Permanent Appointment** – refers to the following:
- 1) Issued to a person (PNP personnel) who meets all the requirements for the position to which he/she is being appointed/promoted, including the appropriate eligibility prescribed, in accordance with the provisions of law, rule and standards congregated in pursuant thereof. (Section 27, Rule V Omnibus Rules Implementing Book V of Executive Order (EO) No. 292); and
 - 2) Appointment of Patrolman/Patrolwoman and/or Lateral Entrants after their completion of the required PNP Field Training Program. Their appointment is attested by the Civil Service Commission (CSC) and certified by the PAIS, Records Management Division (RMD), Directorate for Personnel and Records Management (DPRM).
- s. **Remittance Voucher** – refers to a document prepared by FS for processing and subsequent issuance of check/LDDAP-ADA in favor of GFIs, PNPPF, and accredited Insurance Companies for payment of loans, premiums, contributions, and remittance of savings of active or retired PNP personnel.
- t. **Required Monthly Amortization (RMA)** – refers to the amount of money required to pay the premiums for a specific period of time that shall be deducted from the salaries of active PNP personnel and pension of PNP retirees every month as stipulated in the insurance policy/contract between the PNP personnel/policyholder and the Insurance Company.

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- u. **Salary Deduction and Loan Information System (SDLIS)** – refers to a system which processes authorized deductions in favor of GFIs, PNPPF, and PNP-accredited FIs (Insurance Companies) while securing (ensuring compliance) the minimum NTHP as provided for in the GAA.
- v. **Temporary Appointment** – refers to the following:
 - 1) Issued to persons (PNP personnel) in absence of appropriate eligibility in the area willing and able to assume the position, as certified by the Civil Service Director (CSRO) concerned (Section 27, Rule V Omnibus Rules Implementing Book V of EO No. 292); and
 - 2) Newly appointed Patrolman/Patrolwoman and/or Lateral Entrants who meets the minimum training requirements but whose appointment has not yet been attested by the CSC as certified by PAIS, RMD, DPRM.
- w. **Unauthorized Deduction** – refers to the deduction made by the FIs concerned which is not in accordance with the Terms and Conditions of the contract of loan and ATD/APD signed and executed by the PNP personnel/policyholders.
- x. **Underpaid Deduction** – refers to the amount of deduction for a loan that is less than the required monthly amortization stipulated in the loan contract.

6. GUIDELINES:

a. General Guidelines:

- 1) Except as may otherwise be provided by law, it shall be unlawful for a treasurer or other fiscal officer to draw or retain from the salary due an officer or employee any amount for contribution or payment of obligations other than those due the government or its instrumentalities (EO No. 292, Book V, Title I(A), Chapter 9, Section 66);
- 2) The payment of debt and other obligations incurred by PNP personnel policyholders from different Insurance Companies, shall be their own responsibility and the PNP shall not in any way interfere therewith nor be a party to any obligation thereof unless allowed by law and/or to protect the interest of the PNP personnel to implement the ASDS;
- 3) The accreditation of Insurance Companies in the ASDS is a privilege that can be withdrawn, for cause, by the Chief, PNP;
- 4) A standard Certificate of Accreditation (CoA) shall be prepared for Insurance Companies authorized under the GAA to avail of ASDS through SDLIS;
- 5) The CoA shall include provisions for the payment of service fee which shall be in a certain percentage, as provided for in the negotiated agreement, of the total monthly collections made due the accredited Insurance Company. The Committee could negotiate for another rate

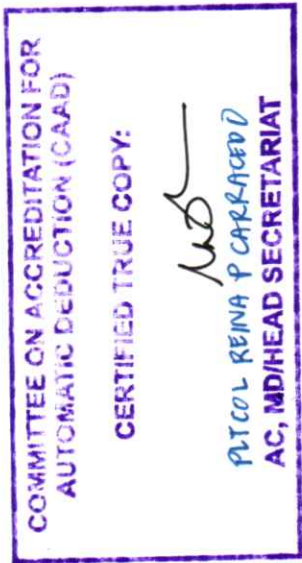
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prescribed therein, if warranted and if it will not duly burden the PNP personnel;

- 6) No deduction shall be made in favor of any Insurance Company not accredited by the PNP;
 - 7) ASDS shall be allowed for payment of Insurance Premiums contracted by active PNP personnel;
 - 8) The ASDS may be extended to the Insurance Companies based on the order of preference provided by the existing GAA to include all other deductions that may be allowed by the PNP. Provided, such deductions shall not reduce the employee's monthly NTHP based on the amount provided by the existing GAA, exclusive of the subsistence allowance for the specific month, after all authorized deductions;
 - 9) Any change in the coverage of authorized deductions in future GAAs automatically forms part of the coverage of this MC;
 - 10) The organizational, physical, and technical security to ensure protection of personal information of PNP personnel processed by the Insurance Companies shall be maintained in observance of the provisions of the Data Privacy Act and other issuances of the National Privacy Commission;
 - 11) Personnel who was meted with suspension for administrative offenses will stop receiving their monthly salary. Hence, payment or monthly deduction shall temporarily stop and shall resume upon their return to service;
 - 12) In no case shall the Insurance Companies impose penalties and other surcharges as a result of non-payment/underpayment of insurance premiums that is not the fault of the insured; and
 - 13) Insurance Companies as defined in the MC shall include the following:
 - a) Life Insurance;
 - b) Pre-Need Plans; and
 - c) Health Insurance (HMO).
- b. Specific Guidelines:**
- 1) Insurance Companies accredited by the CAAD shall have the privilege of availing the ASDS;
 - 2) PNP personnel with permanent appointment are allowed to avail of the ASDS provided:
 - a) They have sufficient NTHP as prescribed by the current GAA, excluding the subsistence allowance which is intended to defray the cost of daily meals of PNP uniformed personnel; and

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- b) If the NTHP is on the limit, payment of amortization of insurance premiums through ASDS may be allowed, provided that the new monthly amortization to be deducted will be the same or lower than the previous one and the PNP personnel/policyholder has no past due accounts with any accredited FIs.
- 3) Newly appointed Non-Uniformed Personnel (NUP), while their appointments are already permanent upon entry in the service, are still placed under six months probationary period. For this reason, they shall only be allowed to avail the ASDS for payment of insurance premiums after the said probationary period;
- 4) In-service lateral entrants, though appointed in temporary status, shall be allowed to avail of ASDS for payment of insurance premium provided they can present proof of continuous service rendered until their appointment to the new rank;
- 5) Newly appointed Patrolman/Patrolwoman under NAPOLCOM Memorandum Circular No. 2021-001, Section VII-B; and Lateral Entrants who are not in-service and under probationary/temporary period pursuant to NAPOLCOM Memorandum Circular No. 2021-003, Section VIII shall only be allowed to avail the ASDS for payment of insurance premiums after the said probationary/temporary period;
- 6) PNP personnel retiring within 12 months shall not be allowed to avail the insurance premiums through SDLIS;
- 7) For purposes of earning savings through Insurance Coverage/Premiums, the following PNP personnel are allowed to utilize the ASDS and to issue Authority to Deduct to any insurance companies:
 - a) Newly appointed PNP personnel (Police Commissioned Officer, Police Non-Commissioned Officer, NUP) on temporary status; and
 - b) Philippine National Police Academy (PNPA) Cadets.
- 8) A duly signed ATD shall be uploaded in the SDLIS to support the deduction from the pay and allowances of PNP personnel concerned;
- 9) The PES shall be utilized by PNP personnel as username and/or reset password address for registrations on all systems of the PNP in connection with ASDS; and
- 10) Application for access in the system by users of Insurance Companies shall be subject for approval of the Director, PNPFS upon the recommendation of the Chief, RCD. Application, change, and termination of users must be endorsed by the General Manager or authorized personnel of the Insurance Company's Central Office.

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c. Responsibilities:

- 1) **FIs and the management of PNPFS shall observe the following:**
 - a) In order to access the SDLIS, the authorized users designated by the Insurance Company shall enroll in the SDLIS for the issuance of their individual username and registration of corresponding Password;
 - b) Enrollment shall be done at the FIMD, PNPFS; RFSOs; and FSOs. The registration shall be supported by the following:
 - (1) Request letter/endorsement from the Insurance Companies indicating the names of authorized users and their functions as SDLIS users (as assessor and/or approver);
 - (2) Authenticated photocopy of their valid company identification card;
 - (3) For Insurance Companies accredited by CAAD, a certified copy of the CoA shall be submitted to the RCD, PNPFS for reference in the processing of Billing Reports for the collection of payment for Insurance Premiums through automatic salary deduction, and subsequent remittance of collections; and
 - (4) Duly signed Data Sharing Agreement (DSA).
 - c) Usernames and passwords assigned by FIMD, PNPFS shall be non-transferable. These shall be solely used by the registered users; and
 - d) FIs shall immediately inform FIMD, PNPFS for the termination of access of authorized users who are transferred to other duties or assignments not connected in loan processing.
- 2) **The following tasks shall be performed by the PNPFS:**
 - a) FIMD, PNPFS will validate the entries in the SDLIS based on the uploaded ATD, which shall indicate the monthly insurance premium, number of remaining installment, deduction code, and date granted;
 - b) PNP personnel of the FIMD, PNPFS shall be the system administrators. Any changes in the system shall be subject for approval by the Director, PNPFS upon recommendation of the C, FIMD;
 - c) FIMD, PNPFS shall maintain the list of authorized users both from the PNP and the Insurance Companies;
 - d) FIMD, PNPFS shall ensure that the confirmed and approved monthly premiums are migrated in the PMS on the 26th day of the month for the payment of insurance premiums through automatic salary deduction;

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- e) When an exception report is generated, authorized PNP personnel of RCD, PNPFS shall conduct verification and/or validation of questionable Insurance Premiums transactions by coordinating with the concerned Insurance Company;
- f) PNPFS reserves the right to disqualify, deny or suspend the implementation of Insurance Premiums for automatic salary deduction for valid reasons and/or legal consideration provided there is proper documentation. The Insurance Company concerned shall be informed accordingly and shall be given a chance to explain. PNPFS may recommend to CAAD the suspension or cancellation of accreditation of the Insurance Company concerned; and
- g) The PNPFS shall not be faulted for penalties and charges for stoppage of insurance premiums as a result of the forfeiture of salaries, overpayment, and/or implementation of correct withholding taxes as well as adjustments in mandatory contributions or premiums.

3) **Responsibilities of PNP Personnel:**

- a) Enrollment with Online Payslip Portal;
- b) Keeping his/her username and password secured. Sharing of one's username and password is strictly prohibited, hence insurance application through a representative is not allowed. The PNP shall not be liable for consequences that may arise due to the personnel's willful violation of this policy;
- c) Settlement of their obligations with the Insurance Companies. They shall personally undertake necessary actions pertaining to their request for stoppage and collect overpayment from the Insurance Company with proper coordination with the PNPFS; and
- d) Adherence to the policies set in this MC or other applicable rules and/or existing PNP directives.

d. **Coordinating Instructions:**

- 1) Supplemental guidelines may be issued by the offices concerned to effectively implement this MC with the approval of the Chief, PNP; and
- 2) Lateral coordination is encouraged.

7. **PROCEDURES:**

The ASDS shall be implemented through the SDLIS in the following procedures:

- a. The following transactions shall be processed in the SDLIS:
 - 1) Implementation of monthly insurance premiums;

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- 2) Stoppage of insurance premiums; and
- 3) Adjustment of underpaid/overpaid monthly insurance premiums.

b. PNP personnel/policyholders shall enroll their passwords in the PMS with their usernames as defined in the system. Their usernames and passwords shall be required to access the SDLIS for insurance premiums.

1) The username and password shall be used every time the PNP personnel apply for insurance with Insurance Companies; and

2) Insurance application shall be personally done by the PNP personnel/policyholders in any of the Insurance Company branches nationwide.

c. Insurance Companies shall enroll their authorized assessors and validator, with their usernames and passwords and duly signed DSA in order to access the SDLIS for the processing of monthly insurance premiums and approval;

d. Security of one's username and password is the responsibility of the user. Sharing of these pieces of information is strictly prohibited. In case they will be compromised, the user shall proceed/contact the FIMD to request for change of Username and/or Password. The PNPFS shall not be faulted for the unlawful use of the personnel's username and/or password by another party. In case of forgotten password, the personnel concerned may proceed to FIMD, FSO/RFSO, PNPFS for the resetting of Password;

e. The SDLIS shall have an audit trail to determine the users who accessed the system on specific dates and time. Likewise, it shall have a counter to determine the number of times the users have accessed the system;

f. Vulnerability assessment and patch management shall be conducted on a regular basis, or as per recommendation of the C, FIMD, PNPFS as system administrator;

g. The PNPFS may request and/or recommend to CAAD the suspension or revocation of the CoA for valid reasons, such as those that will affect system security and proper implementation. Consequently, the authority of the Insurance Company concerned to access the SDLIS shall be suspended or permanently cancelled. PNPFS shall submit report to CAAD for their information, reference, and/or appropriate action;

h. In no case shall the minimum NTHP as provided for in the GAA shall be utilized as payment for insurance premiums or whatever deductions except for Salary Assignment with court order;

i. First come first serve basis as preference of monthly deduction in the automatic salary deduction shall be observed;

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- j. In case of unauthorized deduction, the Insurance Company concerned shall refund the deducted amount. Likewise, the Insurance Company shall refund the expenses of the PNP personnel/policyholder such as transportation expense and board and lodging on the day of completion/settlement of the transaction;
- k. In case of stoppage of salary due to imposition of administrative or criminal penalty, the said monthly payment shall be suspended and restored only upon reapplication of the Insured PNP personnel;
- l. Based on GAA, the mandatory deductions by the GFIs (BIR, GSIS, PAG-IBIG Fund and PhilHealth) are the first in the order of preference for automatic salary deduction. If the remaining NTHP is not sufficient to cover a forfeiture of salary, or an adjustment in withholding tax, government premiums and/or mandatory contributions, the policyholder's insurance premium shall cover the insufficient monthly amortization even without the consent of the policyholder. However, if the amount of the insurance premium is still insufficient to cover the same, the system shall adjust or stop existing deductions for loans on a last-in-first-out basis reckoning on the date the loan was granted. Such adjustments or stoppage shall be reflected in the exception report. The affected personnel may apply with the FI concerned for condonation of penalties and surcharges that may have resulted due to such stoppage of deductions. Likewise, the PNP personnel/policyholders may apply for restructuring of the insurance plan, subject to approval of the Insurance Company concerned; and
- m. In case the Insurance Company suffered loss and non-renewal/ termination of accreditation, continuous collection of outstanding premiums of PNP personnel must be done until the unpaid premiums are fully remitted.

8. PENAL PROVISION:

PNP personnel who will be found remiss in their duties and responsibilities shall be charged and held liable in accordance with existing laws, rules and regulations. Likewise, accredited Insurance Companies that violate the policies herein shall be subject to investigation, and shall be reported to CAAD and/or other proper authorities for appropriate sanctions.


9. RESCISSION:

All previous MCs, directives, and issuances inconsistent with any provisions of this PNP MC are hereby rescinded and/or modified accordingly.

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10. EFFECTIVITY:

This MC shall take effect 15 days from the filing of a copy hereof at the University of the Philippines Law Center in consonance with Sections 3 and 4 of Chapter 2, Book VII of Executive Order No. 292, otherwise known as "The Revised Administrative Code of 1987", as amended.




RODOLFO S AZURIN, JR
Police General
Chief, PNP

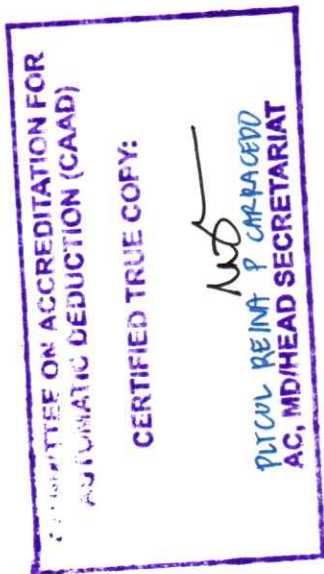
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ANNEX "A"

CERTIFICATE OF ACCREDITATION PNP AUTOMATIC SALARY DEDUCTION SCHEME (ASDS)

is awarded to

Guidelines

- I. This Accreditation is a privilege that can be withdrawn, for cause, by the Chief, PNP;
- II. No deduction shall be made in favor of any Insurance Company not duly accredited by the PNP Committee on Accreditation for Automatic Deduction (CAAD);

This Accreditation shall be valid for a period of two (2) years from the date of its approval by the Chief, PNP and may be renewed upon compliance with the requirements for such purpose and existing policies; and

The Authority of the Chief, PNP over all PNP personnel must be duly acknowledged.

Duties and Obligations

1. The Insurance Company shall uphold the best interest of the public safety sector in the country, including the active members/policyholders of the PNP; provide support to the PNP for its meaningful projects and in times of disasters and other emergencies as well as to make annual allocation of funds from its Operational Budget purposely to cater to the former's request for assistance and donations in line with that purpose;
2. The Insurance Company agrees and obligates itself to pay the PNP a Service Fee which shall be 1% of its total monthly collections;
3. The Insurance Company warrants that the implementation of salary deduction shall be in consonance with the following:
 - a. In no case, reduce the PNP personnel's monthly net take home pay (NTHP) to an amount lower than that prescribed by the annual General Appropriation Act (GAA) or such other laws as may hereafter be promulgated; and
 - b. In no case exceed fifty percent (50%) of the retirement and separation benefits/claims due a retiring/separated PNP personnel, as limited by NAPOLCOM Board Resolution No. 8.
4. The Insurance Company shall submit to the PNP the Authority to Deduct (ATD) Form/s duly accomplished and signed by the PNP personnel concerned to validate the deduction request of the said PNP personnel;

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"Life is Beautiful... Kaligtasan Nyo, Sagot Ko. Tulong-Tulong Tayo."

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5. The Insurance Company shall not avail of the ASDS on monthly premiums covering the following PNP personnel:
 - a. Those who have pending criminal and/or administrative case/s, subject to the availability of updated list from the PNP;
 - b. Newly appointed NUP who have not yet completed their six (6) months probationary period;
 - c. Newly appointed Patrolman/Patrolwoman under NAPOLCOM Memorandum Circular No. 2021-001, Section VII-B; and Lateral Entrants who are not in-service and under probationary/temporary period pursuant to NAPOLCOM Memorandum Circular No. 2021-003, Section VIII;
 - d. PNP personnel retiring within 12 months; and
 - e. Those whose NTHP, after deducting the monthly premiums, will be reduced to an amount less than that prescribed by the annual GAA or such other laws as may hereafter be promulgated, excluding the Subsistence Allowance for uniformed personnel.

The Insurance Company shall furnish the PNP with any and all documents pertaining to the monthly premiums of the retiring/retired PNP personnel, as may be required by the latter under any applicable rules, regulations and/or issuances;

7. The Insurance Company shall ensure complete submission as well as the authenticity of the documents submitted, as herein required. The PNP shall not implement any deductions unless the documentary requirements are duly complied with by the Insurance Company.
8. In the event of full settlement of the monthly premiums, the Insurance Company shall accept the payment of the PNP member/policyholder and the Insurance Company shall issue a validated receipt and certificate of full payment as proof;
9. The Insurance Company shall not pass on the Insured Personnel the service fee;
10. The Insurance Company shall not impose any fee, charge or interest to its members/policyholders due to late remittances of the PNP, provided that the delay was not due to the fault or negligence of the latter;
11. The Insurance Company warrants that all obligations contracted by qualified PNP personnel are in fact made from the former and not with any other entity or institution, whether or not accredited by CAAD. Should the PNP discover that the billing includes obligations obtained by PNP personnel with other entities but were submitted by the former as if contracted from it, the latter shall have the option to unilaterally rescind the accreditation and, thereafter, impose appropriate sanction upon the former in accordance with existing rules and regulations;
12. In case of unauthorized deduction, the Insurance Company shall refund the deducted amount. Likewise, the Insurance Company shall refund the expenses

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of the PNP personnel/policyholder such as transportation expense and board and lodging on the day of completion/settlement of the transaction; and

13. In cases of multiple deductions contracted from the different Financial institutions and Insurance Companies (IC) accredited by the PNP through its CAAD, the order of preference prescribed in pertinent rules and regulations shall be strictly observed.

Privileges

1. The Insurance Company shall enjoy the benefits of Automatic Salary Deduction Scheme (ASDS);
2. Assistance in the prompt collection of the Insurance Company and subsequent remittance from PNP personnel;
3. The Insurance Company acknowledges that the monthly deductions shall be implemented by the PNP for as long as the PNP personnel concerned is still in the police service. Upon separation of the PNP personnel, the provisions of Memorandum Circular Nos. 2014-029 and 2014-042, as amended, shall prevail, except in case of death;
4. The amount deducted shall be remitted by the PNP on or before the end of the collection month;
5. The PNP shall deduct the FULL amount of the remaining monthly premium from the retirement and separation benefits/claims of members/policyholders with outstanding insurance premiums; and
6. The PNP may, under justifiable reasons, unilaterally stop, reduce or understate the deductions even without the express consent of the Insurance Company.

Issued on: _____

Chief, Philippine National Police

Signed in Conformity:

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"Life is Beautiful... Kaligtasan Nyo, Sagot Ko. Tulong-Tulong Tayo."

COMMITTEE ON ACCREDITATION FOR
AUTOMATIC DEDUCTION (CAAD)

CERTIFIED TRUE COPY:

MD
PUN. REINA P. CARACERO
AC. MIDHEAD SECRETARIAT