



Republika ng Pilipinas  
Republic of the Philippines  
**DEPARTMENT OF EDUCATION**  
**KAGAWARAN NG EDUKASYON**  
DepEd Complex, Meralco Ave., Pasig City



Office of the Undersecretary

3 pages

02 January 2014 13121544

MEMORANDUM to -

BUREAU/SERVICE/CENTER DIRECTORS  
REGIONAL DIRECTORS  
SCHOOLS CITY/DIVISION SUPERINTENDENTS  
CHIEFS OF DIVISIONS/OFFICES

Attention: Central Office/Regional/Division Provident Fund Secretariat

This has reference to the approved Rationalization Program of the Department of Education in relation to the outstanding Provident Fund (PF) loan balances of employees with affected positions/items who opt to retire/separate from the service. These affected employees have the following options of settling their outstanding Provident Fund loan balances:

**Option A** - Outright payment of the Provident Fund loan balance

**Option B** - Deduct the outstanding PF loan balance from the Terminal Leave Claim/Benefits or from the Rationalization Program (RP) Incentive or a combination of both

For Option B, the procedures involved are as follows:


1. The employee concerned shall secure a certification from the Personnel Division/Unit of his/her vacation/sick leave credits and the estimated amount of his/her terminal leave claim/benefits, and a signed copy of the estimated computation of his/her Rationalization Program (RP) Incentive.
2. The PF Secretariat shall prepare a statement of account on the outstanding loan/s of the employee concerned and determine if the estimated terminal leave claim/benefits or RP Incentive is sufficient to cover his/her outstanding PF loan balance.
3. The employee shall execute an Authority to Deduct in two copies (format attached) indicating therein his/her consent to deduct the outstanding amount of his/her PF loan balance from his/her terminal leave claim/benefits or RP Incentive. Upon accomplishing the Authority to Deduct, the Head of the Secretariat may sign the employee's clearance with the colatilla, "Subject to

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*the deduction of the outstanding PF loan balance from his/her terminal leave benefits / RP Incentive."* The amount of the outstanding PF loan balance shall be whatever the remaining balance is at the time when either the RP Incentive or GSIS retirement benefits is received. The Secretariat shall keep both copies of the Authority to Deduct.

4. If the employee continues to receive his/her salary even after January 15, 2013, the monthly deductions for the Provident Fund shall continue until such time of receipt of either the RP Incentive or GSIS retirement benefits.
5. At the time when either the RP Incentive or GSIS retirement benefits is received, the Secretariat shall compute the final amount of the outstanding loan balance and forward the same, through a memorandum, to the Personnel Division/Unit which is responsible for preparing the voucher for the payment of the concerned employee's terminal leave claim/benefits/RP Incentive. The Secretariat shall attach a copy of the signed Authority to Deduct to the memorandum. Copies shall be furnished the Accounting Division/Unit, Cash Division/Unit and RPSU.
6. The employee's loan account shall be closed only after receipt of the check to pay his/her outstanding PF loan balance.
7. If the Terminal Leave Claim/Benefits or the RP Incentive or the combination of both are not sufficient to cover the outstanding loan balance of the concerned affected employee, then only Option A is available to him/her.

For your information and guidance. Thank you.

  
FRANCISCO M. VARELA  
Undersecretary  
Chairman, DepED Provident Fund

Please

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*DepED PROVIDENT FUND*

**AUTHORITY TO DEDUCT**

\_\_\_\_\_  
Date

The Chiefs  
Personnel Division / Accounting Division  
Administrative Division  
DepED Central Office/Region\_\_\_/Division of \_\_\_\_\_

Sir/ Madam:

I hereby authorize the deduction from my **TERMINAL LEAVE CLAIM/ BENEFITS / RATIONALIZATION PROGRAM (RP) INCENTIVE** the total amount of \_\_\_\_\_ PESOS (Php \_\_\_\_\_) or whatever is the remaining balance of my **Provident Fund loan/s at the time when either my RP Incentive or GSIS retirement benefits is received.**

Amount deducted shall be credited as payment for the outstanding balance of my DepED Provident Fund loan/s.

\_\_\_\_\_  
Signature Over Printed Name

Employee Number : \_\_\_\_\_  
Position/Designation : \_\_\_\_\_  
Office / Division : \_\_\_\_\_

Noted by:

\_\_\_\_\_  
Head, Secretariat

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