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Republic of the Philippines
Department of Education
REGION VIII - EASTERN VISAYAS

August 12, 2022

REGIONAL MEMORANDUM

No. **896** s. 2022

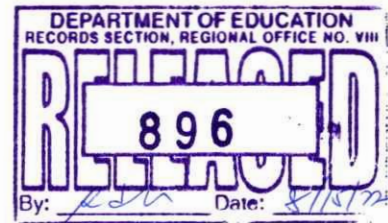
**CONSOLIDATED SUMMARY OF ISSUES, CONCERNS, AND RECOMMENDATIONS
OF THE REGIONS ON DEPED PROVIDENT FUND OPERATIONS**

To: Schools Division Superintendents
Provident Fund Board and Secretariat
All Others Concerned

- Attached is Memorandum OUF-2022-0353 dated July 15, 2022 with the subject: **Consolidated Summary of Issues, Concerns, and Recommendations of the Regions on DepEd Provident Fund Operations.**
- For information and guidance.


EVELYN R. FETALVERO, CESO IV
 Regional Director

Enclosure: As stated
 Reference: As stated
 To be indicated in the Perpetual Index
 under the following subjects:



CONCERNS ISSUES PROVIDENT

AD-PS-EDR





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Republic of the Philippines
Department of Education
OFFICE OF THE UNDERSECRETARY FOR FINANCE

DEPARTMENT OF EDUCATION
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MEMORANDUM
OUF-2022-0353

TO : PROVIDENT FUND REGIONAL BOARD OF TRUSTEES (PF RBT)

FROM : *Annalyn M. Sevilla*
ANNALYN M. SEVILLA
Undersecretary for Finance
Chairperson, PF National Board of Trustees (NBT)

RECEIVED
DATE 8/11/22 11:02 am
SIGNATURE [Signature]

OFFICE OF THE DIRECTOR IV
11 AUG 2022
11 AUG 2022

SUBJECT : CONSOLIDATED SUMMARY OF ISSUES, CONCERNS, AND
RECOMMENDATIONS OF THE REGIONS ON DEPED PF
OPERATIONS

DATE : JULY 15, 2022

This is to furnish you with the attached copy of the "Summary of the Issues, Concerns, and Recommendations of the Field Offices Regarding the Provident Fund as discussed on June 21, 2022," during the conduct of the consultation meeting and presentation of updates on the PF Program with selected members of the Regional Board of Trustees, and PF National Board of Trustees meeting which was held at Diversion 21 Hotel, Iloilo City, on June 21 and 22, 2022, respectively.

For your information and guidance.

Thank you.

eamd/mnsq

*DKW email
8/10/22*

Summary of the Issues, Concerns, and Recommendations of the Field Offices Regarding the Provident Fund as discussed on June 21, 2022

REGION	ISSUES / CONCERNS	RECOMMENDATIONS OF THE REGIONS	PROPOSED ACTION PLAN & COMMENTS OF PF-NBT
IV-B (RD Ardee Ramilo)	<p>Transferring loan records of borrowers from one office to another</p> <p>Lack of personnel to work on the Provident Fund</p>	<p>Issue a Transfer Form template for the transfer of the borrower's loan account from one station to another; the Accountant to sign the Transfer Form</p> <p>Augment manpower complement through the hiring of COS and Jos</p>	<p>A Transfer Form template will be prepared to reflect and effect the transfer of loan records from one IU to another where the employee is transferring.</p> <p>DO No. 01 s. 2005 will be revisited relative to the use of 20% retained earnings for the hiring of personnel.</p>
V (RD Gilbert Sadsad)	<p>No uniform method for collection of interest</p> <p>Additional PF will require additional funds for the manpower; COS is not permanent, no security of tenure, accountability, and no employer-employee relationship</p>	<p>Billing facility in PF to upload in the system; payroll system and PF-Loan Management System (LMS)</p> <p>Additional manpower for PF</p>	<p>The procurement of PF-LMS is ongoing.</p> <p>DepEd Order No. 01, s. 2005 will be revisited on the use of the 20% retained earnings and issue corresponding Board Resolution. The following will be included in the review:</p> <ol style="list-style-type: none"> 1. allocation guidelines for the administrative cost 2. extent or maximum limit on the use of the 20% for the administrative cost 3. 20% of the annual income if could be interpreted as accumulated earnings/income over the years 4. expansion of Section 9.2 to authorize schools division offices in the

REGION	ISSUES / CONCERNS	RECOMMENDATIONS OF THE REGIONS	PROPOSED ACTION PLAN & COMMENTS OF PF-NBT
X (RD Arturo Bayocot)	Regarding PF under EO 641, how will the money grow?		<p>utilization of the 20% retained earnings</p> <ol style="list-style-type: none"> 5. creation of a new unit exclusive for DepEd PF 6. terminology used for casual employees in the DO <p>Meantime, the PF Chapters may hire personnel under Contract of Service, subject to the existing rules and regulations on PF.</p> <p>The fund under EO 641 will grow through investment/stocks/bonds, loaning operation, and interest income on savings since the new PF is considered private.</p> <p>A Highly Technical Consultant will be hired for the purpose (ongoing), to include among others the following:</p> <ol style="list-style-type: none"> 1. A provision to be included in the guidelines that the PF Board of Trustees is authorized to decide as to the % to be invested. 2. The conduct of a feasibility study on the investment of funds.

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Region XIII (RD Gemma Ledesma)		Proposal to increase the Multi-Purpose Loan to 200,000	<p>A plan was formed to consult again the PF Chapters through the conduct of a General Assembly.</p> <p>For further review. Please refer to the Memorandum dated May 26, 2021 entitled "Request for Increase in the Maximum Loanable Amount under the DepEd Provident Fund" explaining the reason for not increasing the MPL to P200,000.</p>
VII (RD Salustiano Jimenez)	<p>Uncollected balances of deceased borrowers; co-maker not able to pay due to low net take-home pay</p> <ul style="list-style-type: none"> • Non-remittance of the remaining 50% allocation to the regions. • Request for additional funding of P50 Million to cover loan requirements due to calamity 	<p>Removal of co-maker and instead provide insurance for loans</p> <p>Implement the said Resolution No. 02, s. 2010 to return the 50% allocation to the region</p>	<p>PF NBT approved the establishment of a Loan Protection Fund, subject to parameters and mechanics to be recommended by the HTC. (for issuance of a Board Resolution)</p> <ul style="list-style-type: none"> • As to the 50% allocation, a clarification/memo to Region VII will be issued stating that the 50% allocation of the contributing regions has already been released, • The Board approved to release of the remaining balance of the 30% of 50% as an exemption to the 60-40 requirement under Board Resolution No. 02 s. 2010

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IX (ARD Pedro Melcho Natividad)	<p>Multiple loans exceeding the allowable loanable amount:</p> <p>Too many accounts in Provident Fund; 1 borrower has 3 to 15 loan accounts (multiple loan accounts); 60% to 70% of the borrower has more than 2 accounts</p>		<p>(for issuance of a Board Resolution and other necessary documents),</p> <ul style="list-style-type: none"> • The formula for the allocation of PF to the contributing regions under Board Resolution No. 02 s. 2010 will be reviewed and the provision of exemptions in case of calamities and other emergencies in the revisions to be made in the said DO. • The issue has implications for the existing PF policy. It is advised that this be settled at the regional level. • EAMD to verify if there are similar cases