

DEPARTMENT OF EDUCATION | OFFICE OF THE SECRETARY

PRESS RELEASE

DepEd further improves Provident Fund guidelines

PASIG CITY, August 22, 2017 – Committed to provide continuous efforts that will benefit both the teaching and non-teaching personnel, the Department of Education (DepEd) ensures that steps are underway to further improve the guidelines of the DepEd Provident Fund (PF).

This effort is one of the key priorities of DepEd stated in its 10-Point Agenda, under the leadership of Education Secretary Leonor Magtolis Briones, to expand the scope of academic and non-academic employee welfare.

As stated in Executive Order (EO) no. 641, series of 2007, the PF is a savings and loan credit facility that caters to the needs of government officials and employees, and shall provide supplementary welfare benefits from the Fund.

In accordance to the DepEd Order no. 36, s. 2007, or the Amendments and Addendum to DepEd Order no. 12, 2004 (Revised Implementing Guidelines for the DepEd Provident Fund), the loan shall be used for emergency needs of the teacher/employee or immediate and other members of his/her family up to the fourth degree of civil consanguinity or affinity.

To date, DepEd has P4 billion in its Provident Fund.

Ongoing initiatives

First on the list of improvements being considered is the reduction of interest rates on PF loans. This is after the DepEd Executive Committee (ExeCom) learned of cases of some teachers who are heavily in debt to lending institutions because of high interest rates.

Under the proposed reduction of interest rates, there will be a diminishing computation aside from the straight computation. It could go from 13.91%-21.5% in straight computation to 8.63%-16.44% in diminishing balance computation.

Other considerations made is for the privatization of the DepEd PF, which aims to have better employer and employee shares and retirement benefits, and a more flexible fund management and operations.

DepEd is also conducting a feasibility study on the issuance of health cards to all DepEd teaching and non-teaching employees.

More importantly, DepEd is crafting amendments on the Omnibus Provident Fund Guidelines, which was first issued in 2004 and last amended in 2007. This will include the provision for PF Loan Protection Program for the writing off of outstanding balances of deceased borrowers and elimination of co-makers.

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