



Republic of the Philippines
SOCIAL SECURITY SYSTEM

East Ave., Diliman, Quezon City
Tel. Nos. (632) 920-6401 • (632) 920-6446
E-mail: member_relations@sss.gov.ph • Web site: <http://www.sss.gov.ph>

CIRCULAR NO. 2020-022

TO : **ALL RETIREE-PENSIONERS**

SUBJECT : **REVISED IMPLEMENTING GUIDELINES FOR ONLINE APPLICATION OF PENSION LOANS FOR RETIREE-PENSIONERS**

Pursuant to SSC Resolution No. 464.s-2020 dated 09 September 2020 approving the amendments to the implementing guidelines on the online application of pension loans for retiree-pensioners and to provide them with safer, faster, more convenient, and economical means of filing their pension loans and to hasten the digitization of loan processes to comply with the requirements of the Ease of Doing Business and Efficient Government Services Delivery Act of 2018 or Republic Act No. 11032, through streamlining, simplification, and automation of loan processes, the following revised implementing guidelines for the online application of pension loans for retiree-pensioners are hereby issued:

A. COVERAGE

1. All SSS retiree-pensioners who meet the qualifying conditions for the availment of the loan are eligible to apply.
2. SSS retiree-pensioners under the Portability Law, or under the care and custody of a guardian, or receiving their monthly pension through checks shall be excluded from this program.

B. ELIGIBILITY

1. The retiree-pensioner must be registered in the SSS Website (My.SSS) to facilitate online filing of pension loan.
2. The retiree-pensioner must have a current and active mobile number.
3. The retiree-pensioner must have at least one of the following:
 - 3.1 valid SSS UMID-ATM enabled ID Card; or
 - 3.2 valid UBP QuickCard with Savings Account Number registered with SSS; or
 - 3.3 valid Pension Savings Account Number registered with SSS (**upon implementation of PESONet payment facility**).

Handwritten initials and signatures in blue ink, including 'Hx' and 'Mx'.

4. Other qualifications:

- 4.1 must be eighty-five (85) years of age or below at the end of the month of loan term;
- 4.2 must have no deductions, such as outstanding loan balance, benefit overpayment payable to SSS, etc. from his/her monthly pension;
- 4.3 must have no existing advance pension under the SSS Calamity Package; and
- 4.4 must be receiving his/her regular monthly pension for at least one (1) month and status of pension is "Active".

C. LOANABLE AMOUNT

The loan amount that may be availed is based on the basic monthly pension (BMP) together with the ₱1,000.00 (1K) additional benefit. However, dependent's pension, if any, is not included.

The retiree-pensioner has the option to choose the loanable amount from any of the following, but not to exceed the maximum loan limit of ₱200,000.00:

- 1. 3x (BMP + 1K additional benefit);
- 2. 6x (BMP + 1K additional benefit);
- 3. 9x (BMP + 1K additional benefit); or
- 4. 12x (BMP + 1K additional benefit).

D. LOAN REPAYMENT TERM

The monthly amortization of the pension loan shall be deducted from the monthly pension of the retiree-pensioner, as follows:

Loanable Amount	Loan Repayment Term
3x (BMP + 1K additional benefit)	6 months
6x (BMP + 1K additional benefit)	12 months
9x (BMP + 1K additional benefit)	24 months
12x (BMP + 1K additional benefit)	

The first (1st) monthly amortization shall become due on the second (2nd) month after the loan was granted.

The Net Take Home Pension should at least be 47.25% of the BMP + 1K Additional Benefit.

E. INTEREST RATE

The loan shall incur an interest rate of ten percent (10%) per annum until fully paid, computed on a diminishing principal balance, which shall become part of the monthly amortization.

SSS shall waive the collection of one percent (1%) service fee as a means to subsidize the payment of premium of the Credit Life Insurance (CLI) by the pension loan borrower.

F. CREDIT LIFE INSURANCE (CLI)

All pension loan borrowers shall be covered by CLI. The premium shall be borne by the pension loan borrower through a one-time deduction from the proceeds of the loan. In the event of death of the pension loan borrower before full payment of the pension loan, the outstanding balance shall be considered fully paid and shall not be deducted from the funeral and/or death benefit of the pension loan borrower.

G. FILING OF PENSION LOAN

1. Filing of pension loan shall be through the SSS Website (My.SSS).
2. Pension Loan application shall be part of the E-services.
3. The retiree-pensioner must agree to the terms and conditions of the program before he/she can complete the submission of his/her application.
4. Applications submitted after 5:00 PM (Local Philippine Time) shall be processed on the next working day.
5. The retiree-pensioner shall receive an email confirmation of his/her pension loan application and must print/download a PDF copy of the Disclosure Statement.

H. DISBURSEMENT OF PENSION LOAN PROCEEDS

The Pension Loan proceeds shall be released through the e-disbursement process and credited within five (5) working days to the Savings Account of the retiree-pensioner which should be in the following order of priority:

1. UMID-ATM enabled ID card;
2. UBP Quick Card with Savings Account Number registered with SSS; and
3. Regular Pension Account (***upon implementation of PESONet payment facility***).

I. LOAN RENEWAL

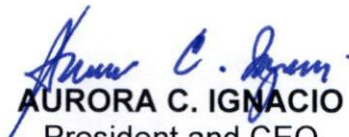
Pensioners shall be allowed to renew their pension loan after full payment of the current loan.

J. OTHER CONDITIONS

1. In case the monthly pension of the retiree pensioner is cancelled due to re-employment/resumption of self-employment under Sec. 12-B (c) of the Social Security Act of 2018, the retiree pensioner's outstanding pension loan balance shall be converted into a regular salary loan. Hence, the existing policies and rules on salary loan shall apply. Moreover, the retiree pensioner shall have the option to pay the outstanding balance in full.
2. In case the monthly pension of the pension loan borrower is suspended due to non-compliance with the Annual Confirmation of Pensioners (ACOP), the outstanding balance of the pension loan shall be deducted upon resumption of the pension loan borrower's monthly pension, without any penalty charge.
3. A pensioner with a pending request for re-adjudication or adjustment of pension shall not be granted a pension loan. On the other hand, request for re-adjudication or adjustment of pension loan borrower's benefit shall be allowed after the full payment of the availed pension loan.

This supersedes Circular No. 2020-019 dated 03 August 2020.

Please be guided accordingly.


AURORA C. IGNACIO
President and CEO
HA R M

15 SEP 2020

Date

(Policy - Loans Granting)

Prepared by: Business and Development Loans Department