



Republic of the Philippines
SOCIAL SECURITY SYSTEM

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CIRCULAR NO. 2021-014

TO : **ALL SSS MEMBERS**

SUBJECT : **PANDEMIC RELIEF AND RESTRUCTURING PROGRAM 5 –
SHORT-TERM MEMBER LOAN PENALTY CONDONATION
PROGRAM (STMLPCP)**

Pursuant to Social Security Commission (SSC) Resolution Nos. 498-s.2021 dated 29 September 2021 and SSC Resolution No. 548-s.2021 dated 27 October 2021 approving the Guidelines on Short-Term Member Loan Penalty Condonation Program (STMLPCP), the following are hereby issued:

I. COVERAGE OF THE PROGRAM

All member-borrowers with past due* short-term member loan/s whether or not the original or previously restructured term has already expired. Short-Term Member Loans shall include the following:

1. Salary Loan;
2. Calamity Loan;
3. Salary Loan Early Renewal Program (SLERP);
4. Emergency Loan; and
5. Restructured Loans under the Loan Restructuring Program (LRP) implemented in 2016 to 2019.

*Past due shall mean that the loan is delinquent for a period of at least six (6) months as of the first day of the condonation period.

II. AVAILMENT PERIOD

The availment period for the condonation program is up to three (3) months which shall commence on 15 November 2021.

III. EFFECTIVITY OF THE PROGRAM

This Program shall take effect fifteen (15) days after publication of its Terms and Conditions in a newspaper of general circulation and submission of a copy to the Office of the National Administrative Register.

IV. TERMS AND CONDITIONS

A. ELIGIBILITY

1. All member-borrowers with past due loans for at least six (6) months as of the first day of condonation period.
2. Member-borrowers who:
 - a. Are under sixty-five (65) years old at the end of the installment term (for installment payment);
 - b. Have not been granted any final benefit, i.e. permanent total disability or retirement; and
 - c. Have not been disqualified due to fraud committed against the SSS.
3. Member-borrowers who will file their final benefits application for permanent total disability or retirement, whose contingency date is on or before the last day of the availment period of the condonation program. Said final benefit claim must be filed within the availment period.
4. Heirs or beneficiaries of deceased member borrowers who will file the death benefit application, whose contingency date is on or before the last day of the availment period of the condonation program. Said death claim must be filed within the availment period.

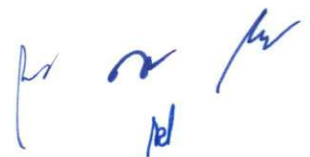
B. LOAN AMOUNT

The sum amount of all due and demandable arrears composed of outstanding principal and interest of the member-borrower's past due loan/s shall be consolidated into one Consolidated Loan.

C. PAYMENT TERM

1. One-time Payment – full payment of the Consolidated Loan within thirty (30) calendar days from receipt of the notice of approval of the Penalty Condonation Application **in a single payment transaction**. No staggered/partial payments are allowed even if the required payment is completed within the 30-day prescribed period.

Member-borrowers who are sixty-five (65) years old or older who will not file their final benefit claim within the availment period may avail of One-Time Payment term only.



2. Installment term –

- a. 50% Downpayment – full payment of 50% of the Consolidated Loan within thirty (30) calendar days from receipt of the notice of approval of the Penalty Condonation Application **in a single payment transaction**. No staggered/partial payments shall be allowed even if the required payment is completed within the 30-day prescribed period.
- b. The remaining 50% shall become Restructured Loan 1 (RL1) and shall be paid in six (6) equal monthly installments starting from the month following the end of the 30-calendar day period stated in Item 2.a. Late payments shall be subject to imposition of penalty under Item D.2 hereof.

Notes:

- *Under installment, the member-borrower must be under 65 years old at the end of the installment term, otherwise, member-borrower shall only qualify under the One-time Payment term.*
- *Applicants mentioned in Item IV, A.3 and A.4 shall only be allowed to avail of the one-time payment term through deduction from the proceeds of the final benefit claim.*
- *A Payment Reference Number (PRN) shall be issued with the amount and due date for each required payment.*
- *“Receipt of notice” shall be deemed the date when the electronic notice was sent to the applicant’s email address.*

D. INTEREST RATE AND PENALTY OF RL1

1. For installment term, RL1 shall be subject to interest rate of 3% per annum computed on a diminishing principal balance over the six (6) months payment term.
2. A penalty of 1% per month shall be charged against RL1’s unpaid amortization after its due date during RL1’s payment term.

E. CONDITIONAL CONDONATION

1. Unpaid penalties of the loans shall be condoned as follows:
 - a. Under One-time Payment Term – 100% of the consolidated penalty shall be condoned upon full payment of the Consolidated Loan within the approved payment period.



- b. Under Installment Term – 50% of the consolidated penalty shall be condoned upon payment of the 50% downpayment within the approved payment period. The remaining 50% penalty shall be fully condoned after full payment of the RL1 within the approved terms and conditions.
2. Any partial payment made for the Consolidated Loan under One-time Payment or 50% downpayment shall not entitle the member-borrower to condonation of penalty. The Penalty Condonation Application shall be deemed cancelled, without prejudice to re-submission of the application within the availment period. However, any partial payment made for the cancelled application shall be treated as regular payment and shall be applied to the oldest outstanding short-term member loan in the following order of priority: penalty first, then to interest and last to principal. Any excess after posting of payment shall be applied to the second oldest outstanding short-term member loan and so on.
3. The balance of the RL1 should be zero at the end of the term. Otherwise, the unpaid principal of RL1 and the proportionate balance of condonable penalty shall become part of a new principal under Restructured Loan 2 (RL2). The RL1 shall be closed and RL2 shall be setup.

F. INTEREST RATE AND PAYMENT TERM OF RL2

1. RL2 shall be charged with an interest rate of 10% per annum until fully paid.
2. The full amount of RL2 including all accrued interests shall be immediately due and demandable.

G. OTHER CONDITIONS


1. Except for the following members with Death, Disability, Retirement (DDR) claims which can only be filed through over-the-counter (OTC) filing, all member-borrowers must apply for the Penalty Condonation Program through the SSS website by accessing his/her My.SSS account.
 - a. Self-Employed (SE);
 - b. With dependents;
 - c. Mine Workers;
 - d. Racehorse Jockeys; and
 - e. Incapacitated retiree subject for representative payee.



2. Payment Reference Number (PRN) under the Real Time Processing of Loan (RTPL) shall be used for Consolidated or Restructured Loan payments.
3. In case the full amount for the One-time Payment term or the 50% downpayment of the Consolidated Loan was not settled within thirty (30) calendar days, a re-submission of the condonation application may be allowed, provided that it is made on or before the last day of the program implementation.
4. Amount due under the approved condonation application under the RL1 or RL2 including all accrued interests and penalties must be fully paid before the member-borrower can avail of other SSS short-term member loan programs.

For inquiries, members are advised to log on to www.sss.gov.ph or call at 1455 for assistance.

Please be guided accordingly.


AURORA C. IGNACIO
President and CEO

29 OCT 2021

Date

(Policy - Loans Repayments)
Prepared by: Member Loans Department