

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

THIRTEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. **971**

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Introduced by Hon. EDUARDO R. GULLAS

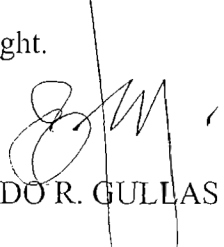
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EXPLANATORY NOTE

For almost a hundred years since the creation of what is now the Department of Education, the payment of public school teachers' salaries has been entrusted to one single office - the DepEd (PSD). This office handles the printing and distribution of the Department's 485,000 teaching and non-teaching employees throughout the country. Servicing such a large group of employees is simply beyond the capacity of that office. Thus, mistakes are committed from time to time in the form of excessive or unauthorized deductions, wrong computation of withholding tax and the like. The payment of the salaries of newly hired teachers or of those who have gone on leave without pay is oftentimes delayed to 3, 4 or more months. As a result of these malfunctions, the poor teachers in the provinces are forced to go to Manila to follow up their problems and in the process, spend their hard earned resources.

In fairness to DepEd, the process of decentralizing the payment of the salaries of public secondary school teachers was accomplished some five years ago during the incumbency of former Secretary Ricardo Gloria. However, the beneficiaries constitute a small fraction of the Department's teaching staff. The greater number, comprising about 80% of the teaching staff - these are the elementary grade teachers - have continued to endure the inconvenience of getting paid by Manila-based Payroll Service Division.

In view thereof, approval of this bill urgently sought.

  
EDUARDO R. GULLAS

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**AN ACT  
PROVIDING FOR THE REGIONALIZATION OF THE DEPARTMENT OF  
EDUCATION PAYROLL SERVICE DIVISION AND PROVIDING FOR FUNDS  
THEREFOR**

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. The IBM-Payroll Service Division of the Department of Education shall be decentralized by establishing a Payroll Service Division (PSD) unit in every regional office of the Department.

SECTION 2. The Regional PSD shall have the following duties and responsibilities:

2.1) Process, print and distribute the salary checks of public secondary and elementary school teachers including those of non-teaching personnel.

2.2) Subject to existing laws and pertinent regulations, to enter into agreement with accredited insurance companies, savings banks, thrift banks, and duly registered teachers cooperatives with regard to loan amortizations or premium payments due these financial institutions from teachers and other DepEd personnel.

2.3) To adopt necessary measures to ensure the release of salary checks and of teachers and other personnel not later than three (3) days before the end of the month for which such salaries are due.

2.4) To ensure that newly-hired regular teachers and substitute teachers, including those who are returning from leave without pay, are released not later than seven (7) days from the date the documents for such claims are received.

2.5) To take all steps to ensure that complaints from teachers for unauthorized deductions, over-deductions, non-deductions, and other salary-related problems are attended to within seven (7) days from receipt of such complaints.

2.6) To furnish every teacher every time the salary check is released with a pay slip containing the following information: date of release of check, total salary due the teacher for a given period, total amount deducted, itemized deductions, and the amount being released.

SECTION 3. The Regional PSD unit shall be headed by the chief of the Budget and Finance Divisions who shall perform this function in a current Capacity, and shall be under the direct supervision of the Regional Director. The members of the PSD staff shall be taken from other divisional offices, if necessary. Personnel from the national PSD may be devolved to regional PSD's.

SECTION 4. Subject to pertinent laws and regulations, the PSD staff, as well as other personnel who are directly involved in the PSD operation shall be entitled to claim honoraria in addition to their regular salaries.

SECTION 5. A Regional PSD is authorized to collect service fees from financial institutions mentioned in Section 2 of this Bill provided such collection is covered with official receipts.

SECTION 6. Service fees collected shall be constituted into a trust fund a part of which may be utilized for the maintenance and operating expenses of the PSD as well as for the purchases of needed equipment. Such fund may also be converted into a Provident Fund for teachers to be entrusted to accredited teachers' cooperative in the region.

All disbursements from PSD service fees shall be subject to the approval of the Secretary of the Department of Education.

SECTION 7. The Office of the Secretary of the Department of Education shall monitor the operation of Regional PSD's particularly with regard to the quality of their services to teachers as well as to the utilization of funds generated.

SECTION 8. Any person who willfully violates or cause violation of any provisions of this Act shall upon conviction be penalized with a fine of Twenty Thousand (=P=20,000.00) Pesos and/or imprisonment of three (3) months depending upon the discretion of the court.

SECTION 9. This Act shall take effect after publication in two (2) national newspapers of general circulation.

Approved.