

GSIS urges members to settle overdue loan until Sept 30

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State pension fund Government Service Insurance System (GSIS) is urging its members to settle their past due loan accounts until September 30 this year to avoid further penalty charges.

“One way to settle your loan account is by availing of the Enhanced Conso-loan Plus program which waives all penalties and surcharges on your existing salary loan accounts including additional interests. Paying off your loan will also enable you to avail of other GSIS benefits which you could not otherwise enjoy if you have defaulted on your loans,” GSIS President and General Manager Jesus Clint Aranas advises the members of the pension fund.

“If you will restructure your salary loan accounts through the Enhanced Conso-Loan Plus, you will avoid the unfailing predicament of having your retirement pay eaten up by your loan balance in due course,” Aranas continues.

He explained that when GSIS members fail to pay their amortization for more than six months, their loan accounts will become in default. Starting October 1, this will automatically set off the computation of pro-rated surcharges and penalties. These charges, which are originally intended to discourage borrowers from defaulting on their loans, will add up to their bill which may further swell if not abated early enough.

“We are extending the restructuring scheme under the Enhanced Consoloan Plus because we want you, our members, to ease your financial burdens and help you enjoy your full benefits when you retire. But we need to impose a deadline because, in the final analysis, you have to keep your correct monthly amortization and pay off your loans on time,” Aranas said.

At present, GSIS is not collecting penalties and surcharges on past due loan accounts if the member is in active service. In the long term, according to Aranas, this ‘automatic waiver’ for penalties and surcharges will compound the forgone interest income from the pension fund’s loan investments which will eventually be disadvantageous to the social insurance fund. Thus, GSIS will discontinue this waiver of penalties and surcharges starting October 1 this year.

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