

Press Release

January 15, 2014

Pag-IBIG clarifies COA report on bonus

Pag-IBIG President and CEO Atty. Darlene Marie B. Berberabe has clarified news reports of Commission on Audit (COA) disallowances to 31 government-owned and/or controlled corporations, including the Pag-IBIG Fund, after the delivery of the midterm report to Pag-IBIG Fund stakeholders at the SMX Convention Center this morning (January 15).

Atty. Berberabe said that the P37 Million subject of the COA report pertains to separation pay of employees who retired from the Fund in 2012. The basis of COA in disallowing the payment of separation pay to these employees under the Fund's early retirement program, is the supposed double payment of retirement pay because the Government Service Insurance System (GSIS) will also pay out retirement benefits to them after their separation from Pag-IBIG.

Atty. Berberabe explained that "in the COA exit conferences, we have been closely discussing this issue, and our position is that the payment should not be disallowed because what the concerned employees received from the Fund are not retirement but separation benefits, while what they will receive from the GSIS are retirement insurance benefits for which they paid monthly premiums. Besides, when these employees received their separation benefits from the Fund, they have not yet received their retirement claims from the GSIS so there was no double retirement payment. Moreover, it is the GSIS that determines whether the employees concerned are qualified to receive GSIS benefits. Given this, the Fund shall request the COA to reconsider its position on this issue."

"Therefore, the COA report does not pertain to bonus or incentive to employees or officers or board members. It pertains to separation pay under our early retirement program. Second, we have a legal position that at the time that we paid the separation pay, there was no double payment, thus we will move for the reconsideration of COA's findings." Atty. Berberabe further clarified. (END)