

**[ GSIS RESOLUTION NO. 17, February 16, 2005 ]**

**INTEREST AND PENALTY RATES; COMPUTATION OF MATURITY  
VALUE OF ENDOWMENT POLICIES; AND STOPPAGE OF THE  
GRANT OF CARER'S ALLOWANCE**

RESOLVED, to APPROVE the Policies adopted by the Management Committee (MANCOM) in its meeting No. 260-24-04 held on December 14, 2004, as follows:

**1. On INTEREST and PENALTY RATES COVERING PERIODS BEYOND THE TERM OR AMORTIZATION PERIOD OF A LOAN ON WHICH INTEREST WAS COMPUTED IN ADVANCE**

Upon maturity of the loan, the outstanding balance (principal plus interest) shall be charged an interest of 10% per annum simple and a penalty of .5% per month.

The application of payment shall be in the following order:

1. Penalty
2. Interest
3. Principal

**2. On COMPUTATION OF MATURITY VALUE OF ENDOWMENT POLICIES (as corrected by PGM Garcia during the meeting)**

The maturity value of an endowment life insurance policy is always computed at maturity date of the policy.

The total value of the policy loan should immediately be computed and applied to the maturity value of the policy at the time of maturity, and not after maturity date.

**3. On STOPPAGE OF THE GRANT OF CARER'S ALLOWANCE**

- a. Confirm the stoppage of the grant of Carer's Allowance to those who became qualified for PTD benefits effective November, 2003.
- b. Continue to pay Carer's Allowance to those who had been receiving the same prior to the stoppage effected in November, 2003.

Adopted: 16 Feb. 2005 (Board Meeting No. 4)



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