

TO: ALL EMPLOYEES

FROM: PAYROLL

SUBJECT: MANDATED DEDUCTION OF SSS LOAN FROM FINAL PAY

DATE: JULY 17, 2025

REF #: FIN-000-25-7-214

CC: FILE/DC/BULLETIN BOARD/ALL DEPARTMENTS


This is to inform all employees that in compliance with the guidelines of the **Social Security System (SSS), under SSC Resolution No. 316, Series of 2012**, any outstanding SSS salary loan of an employee will be deducted from their final pay upon resignation, retirement, or separation from the company. Kindly see attached for your reference.

As the employer, we are mandated to deduct and remit any unpaid SSS loan balance from an employee's final pay. Any available amount from final pay must be applied to the outstanding loan, in line with SSS regulations. This obligation remains even if the employee provides an undertaking to settle the loan personally. If the final pay is not enough to cover the entire loan, the remaining balance will become the sole responsibility of the employee. The employee may then continue paying the balance directly to SSS through voluntary means.


This process ensures the compliance with SSS Regulations and protects both employee and the company from future legal and financial consequences. Employees are advised to coordinate with Payroll and HR for questions related to their loan status and/or final pay computation upon separation.

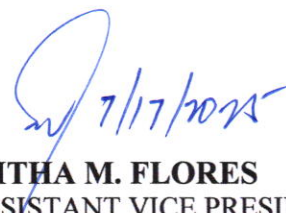
Thank you for your understanding and cooperation.

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Salary Loan Terms and Conditions

(SSC Res. No. 316-s. 2012)

G. Responsibilities of the Employer

1. The employer shall be responsible for the collection through payroll deduction and remittance to the SSS of the amortization due the employed member-borrower's salary loan.
2. In case the employed member-borrower is separated voluntarily (e.g., retirement or resignation) or involuntarily (e.g., termination of employment or cessation of operations of the company) from the company, the employer shall deduct the total balance of the loan from any benefit/s due the employee and shall remit the same in full to SSS.
3. The employer shall report to the SSS the effective date of separation from the company and the unpaid loan balance of the employed member-borrower, through the collection list, if the benefit/s due the employed is/are insufficient to fully repay his/her loan.
4. The employer shall require a new employee to secure from the SSS an updated statement of his/her salary the amortization due and remit the payment to SSS.

➤ **Maintain true and accurate records of employees, such as, but not limited to, employment and payroll records, official receipts as proof of payments of monthly contributions and loan amortizations, amounts deducted from salaries/wages, records of sickness, injuries, and death of employees in manual logbook or electronic file for work-connected (EC) contingencies. (sec. 24)**