



CIRCULAR NO. 2025-007

TO : ALL SSS RETIREE AND SURVIVING SPOUSE PENSIONERS

SUBJECT : PENSION LOAN PROGRAM FOR SSS RETIREE AND SURVIVING SPOUSE PENSIONERS

I. PURPOSE

Pursuant to the following SSC Resolutions, the Circular on the Pension Loan Program for SSS Retiree and Surviving Spouse Pensioners is hereby issued:

- A. SSC Resolution No. 321-s. 2025 dated 18 June 2025
- B. SSC Resolution No. 36-s. 2024 dated 31 January 2024
- C. SSC Resolution No. 212-s. 2022 dated 06 April 2022

II. SCOPE

This Circular shall cover the following:

A. SSS RETIREE-PENSIONERS

All eligible SSS retiree-pensioners, except the following:

1. Those whose retirement claims were settled under the Special Pension System;
2. Those who are under the care and custody of a representative payee;
3. Those who are receiving their monthly pension through checks; and
4. Those with pending request for re-adjudication or adjustment of pension.

B. SSS SURVIVING SPOUSE PENSIONERS

All eligible SSS surviving spouse pensioners, except the following:

1. Those whose death benefit claims were settled under the Special Pension System;
2. Those who are under the care and custody of a representative payee;
3. Those whose dependent child/ren, if any, is/are under the care and custody of a representative payee other than the surviving spouse pensioner;

4. Those who are receiving their monthly pension through checks; and
5. Those with pending request for re-adjudication or adjustment of pension.

III. ABBREVIATIONS AND DEFINITION OF TERMS

The following abbreviations and definition of terms shall be used within the context of this Circular.

A. Abbreviations

ABBREVIATION	EXPANSION
1. CLI	Credit Life Insurance
2. DAEM	Disbursement Account Enrolment Module
3. EIR	Effective Interest Rate
4. NTHP	Net Take Home Pension
5. PL	Pension Loan
6. SSC	Social Security Commission

B. Terms

TERM	DEFINITION/DESCRIPTION
1. Aggregate Monthly Pension	The Basic Monthly Pension and Php1,000 additional benefit.
2. NTHP	Net amount of Aggregate Monthly Pension after deduction of monthly PL amortization
3. Representative Payee	The guardian of a beneficiary/pensioner who receives the pension in their behalf.
4. Sole Payee	The only surviving spouse pensioner and representative payee of dependent child/ren, if any.
5. Special Pension System	The Pension Payment System used to process settlement of various cases of benefit claims.

IV. POLICIES/GUIDELINES

A. ELIGIBILITY

1. SSS RETIREE-PENSIONERS

- a. Must be registered in the SSS website with updated contact information and enrolled disbursement account;
- b. Must be eighty-five (85) years of age or below at the end of the month of the loan term.

Sample Illustration:

Maximum Age at Time of Availment	Loan Term
84 years and 4 months	6 months
83 years and 10 months	12 months
82 years and 10 months	24 months

- c. Must have no deductions from their monthly pension;

- d. Must have no existing advance pension under the SSS Calamity Loan Package;
- e. Must be receiving their monthly pension for at least one (1) month and the status of pension is “Active”.

If the retiree-pensioner availed the 18 months advance pension, they must be receiving their monthly pension for at least one (1) month; and

- f. Must not have been disqualified due to fraud committed against the SSS.

2. SSS SURVIVING SPOUSE PENSIONERS

- a. Must have an SS number and is registered in the SSS website, with updated contact information and enrolled disbursement account. If not an SSS member, they must secure an SS number as surviving spouse pensioner to be able to register in the SSS website;
- b. Must be at least eighteen (18) years of age at the time of filing of loan but not more than eighty-five (85) years of age at the end of the month of the loan term.

Sample Illustration:

Maximum Age at Time of Availment	Loan Term
84 years and 4 months	6 months
83 years and 10 months	12 months

- c. Must have no deductions from their monthly pension;
- d. Must have no existing advance pension under the SSS Calamity Loan Package;
- e. Must be receiving their monthly pension for at least one (1) month and the status of pension is “Active”;
- f. Must be sole payee to the death benefit; and
- g. Must not have been disqualified due to fraud committed against the SSS.

B. LOANABLE AMOUNT AND LOAN TERM

1. SSS RETIREE-PENSIONER

- a. The loanable amount shall be the Aggregate Monthly Pension, multiplied by 3, 6, 9 or 12 months at the option of the borrower, but not to exceed the maximum limit of Php300,000.00, with fixed loan terms, as follows:

Option	Loan Amount	Loan Term
1	3 x Aggregate Monthly Pension	6 months
2	6 x Aggregate Monthly Pension	12 months
3	9 x Aggregate Monthly Pension	24 months
4	12 x Aggregate Monthly Pension	

Dependent’s pension, if any, is not included in the computation of the loanable amount.

- b. The loanable amount and loan term shall take into consideration the NTHP, which must be at least 40% of the Aggregate Monthly Pension.

In case the loanable amount will not satisfy the 40% NTHP requirement, said amount shall be recomputed to result in a monthly amortization equivalent to the Aggregate Monthly Pension less the required NTHP.



2. SSS SURVIVING SPOUSE PENSIONERS

- a. The loanable amount shall be 50% of the surviving spouse pensioner's Aggregate Monthly Pension, multiplied by 3, 6, 9 or 12 months at the option of the borrower, but not to exceed the maximum limit of Php150,000.00, with fixed loan terms, as follows:

Option	Loan Amount	Loan Term
1	3 x (50% of Aggregate Monthly Pension)	6 months
2	6 x (50% of Aggregate Monthly Pension)	
3	9 x (50% of Aggregate Monthly Pension)	12 months
4	12 x (50% of Aggregate Monthly Pension)	

Dependent's pension, if any, is not included in the computation of the loanable amount.

- b. The loanable amount and loan term shall take into consideration the NTHP, which should be at least 40% of the Aggregate Monthly Pension.

In case the loanable amount will not satisfy the 40% NTHP requirement, said amount shall be recomputed to result in a monthly amortization equivalent to the Aggregate Monthly Pension less the required NTHP.

C. MONTHLY AMORTIZATION

1. The monthly amortization of the PL shall be deducted from the Aggregate Monthly Pension of the borrower.
2. The 1st monthly amortization shall become due on the 2nd month after the loan was granted.

Sample Illustration:

Month of Loan Granting	Start of Amortization
January	March

D. INTEREST RATE AND SERVICE FEES

1. The PL shall incur an interest of ten percent (10%) per annum until fully paid, computed on the diminishing principal balance, which shall become part of the monthly amortization. Any remaining principal balance after the loan term shall continue to incur interest of 10% per annum until fully paid.
2. A Service Fee of two percent (2%) of the loan amount shall be charged and deducted from the PL proceeds.

- Pro-rated interest at the rate of ten percent (10%) per annum from the date of PL granting up to the end of the month prior to the first amortization month shall be deducted in advance from the PL proceeds.

Sample Illustration:

Loan Amount: Php20,000.00

Loan Date: 15 September 2025

1st Amortization month: November 2025

Pro-rated Interest from 16 September 2025 to 31 October 2025 = **Php252.05**
 computed below as Loan Amount x Interest Rate x No. of days/365:

Loan Amount	Interest Rate (10%)	No. of Days/365	Pro-rated Interest
Php20,000.00	0.1	46/365	Php252.05

- The Effective Interest Rate of the PL, based on the loan term, shall be as follows:

EIR	Loan Term
13.46%	24 months
15.82%	12 months
19.44%	6 months

E. CREDIT LIFE INSURANCE

- The PL shall be covered by a CLI with the SSS as the sole designated beneficiary. The insurance premium shall be borne by the borrower through a one-time deduction from the loan proceeds.

In the event of death of the borrower before full payment and end of the loan term, the PL balance shall be considered fully paid and shall not be deducted from the death benefit/s of the rightful beneficiary/ies, if any.

- The insurer shall cover the PL balance of the borrower and shall pay SSS the said amount.

The PL balance not covered by insurance shall be deducted from the borrower's SSS benefits or member loan overpayment proceeds payable to the borrower or to their rightful beneficiary/ies, if any.

The PL balance not covered by insurance shall refer to loan balances that cannot be claimed from insurer due to reason/s, such as but not limited to, the following:

- a. Death of borrower falls after the end of the loan term
- b. Fraudulent PLs
- c. Loan balances deemed due and demandable as a result of cancelled pension due to:
 - i. re-adjudication of benefit claims;
 - ii. re-employment/resumption of self-employment in the case of retiree-pensioners; and,
 - iii. remarriage or cohabitation/“live-in” relationship in the case of surviving spouse pensioners

F. FILING OF PL

1. PL applications shall be filed either:
 - a. Over-the-counter at any SSS branch/service office; or
 - b. Online through the My.SSS facility
2. All borrowers shall be notified regarding their PL application thru e-mail or SMS confirmation.

G. DISBURSEMENT OF PENSION LOAN PROCEEDS

The proceeds of the loan shall be released through Electronic Funds Transfer Facilities and shall be credited to the borrower’s existing pensioner disbursement account, or to any other disbursement account enrolled through the DAEM per applicable policies and guidelines.

H. FEES AND CHARGES OF DISBURSING BANK

Any transaction fees charged by the disbursing bank shall be borne by the borrower through deduction by the disbursing bank from the PL proceeds.

I. LOAN RENEWAL

Borrowers shall be allowed to re-apply for a new PL only after full payment of the current loan.

J. NO CANCELLATION POLICY

There shall be no cancellation of an approved PL, except when justified under certain circumstances.

K. OTHER CONDITIONS

1. A surviving spouse pensioner who is also a retiree-pensioner shall be allowed to avail of two (2) PLs at the same time, one (1) as a surviving spouse pensioner and one (1) as a retiree-pensioner.

2. Any PL balance not paid on the due date shall incur a penalty of one percent (1%) per month. A delay of a fraction of a month shall be charged a full month penalty.
3. In case the monthly pension is cancelled due to any of the reasons stated below, any PL balance shall become due and demandable and shall be paid within fifteen (15) working days from the successful transmittal of a Collection Letter/Notice.
 - a. Re-employment or resumption of self-employment of the retiree-pensioner borrower under Sec. 12-B (c) of Republic Act No. 11199;
 - b. Remarriage or cohabitation/“live-in” relationship of the surviving spouse pensioner borrower
4. Settlement of the PL balance of borrowers whose monthly pension has been cancelled shall be made thru any of the following modes:
 - a. Cash payment thru SSS tellering facilities or accredited collection partners;
 - b. Deduction from benefits and/or overpayments in loans, if applicable;
 - c. Re-adjudication of benefit claims; and/or
 - d. Other modes of settlement, as may be determined by the SSS.
5. Payments shall be applied to the PL balance according to the following order of priority:
 - a. Penalty, if any
 - b. Interest
 - c. Principal balance
6. In case the borrower is **both a retiree and surviving spouse pensioner** and one/two monthly pension/s is/are cancelled, the following rules shall apply:

Type of PL	Reason for Cancellation of Monthly Pension	Effect/s on PL/s Balance
Retiree-Pensioner's PL only	Re-employment or resumption of self-employment	PL balance shall become due and demandable, subject to Item IV.K.2. If no payment is received on the specified due date, the PL balance shall be deducted from the Death Pension through re-adjudication of the death benefit claim of the borrower who is a sole payee to the death benefit.
Surviving Spouse Pensioner's PL only	Remarriage or cohabitation/ live-in relationship	PL balance shall become due and demandable, subject to Item IV.K.2. If no payment is received on specified due date, the PL balance shall be deducted from the Retirement Pension through re-adjudication of the retirement benefit claim.

Type of PL	Reason for Cancellation of Monthly Pension	Effect/s on PL/s Balance
With 2 PLs (Retiree and Surviving Spouse Pensioner)	Only the Retirement Pension is cancelled due to re-employment or resumption of self-employment	If Retirement Pension is cancelled but the Surviving Spouse Pension is not, both PLs shall become due and demandable, and shall be deducted from the Death Pension through re-adjudication of the death benefit claim, if no payment is received on the specified due date.
	Only the Surviving Spouse Pension is cancelled due to remarriage or cohabitation/ live-in relationship	If Surviving Spouse Pension is cancelled but the Retirement Pension is not, both PLs shall become due and demandable, and shall be deducted from the Retirement Pension through re-adjudication of the retirement benefit claim, if no payment is received on the specified due date.
	Both Retirement Pension and Surviving Spouse Pension are cancelled due to re-employment or resumption of self-employment and remarriage or cohabitation/ live-in relationship, respectively	If both Surviving Spouse Pension and Retirement Pension are cancelled, both PL balances shall be collected through over-the-counter payment. If no payment is received on the specified due date, the PL balances shall be subject to penalty as stated in K.2. above (i.e., 1% per month), a delay of a fraction of a month shall be charged a full month penalty. The PLs will be referred to the Corporate Legal Services Division for appropriate legal action.

PL balances collected through re-adjudication of retirement or death benefit claims shall not be subject to any penalty.

7. In case the monthly pension of the borrower is suspended due to non-compliance with the Annual Confirmation of Pensioners Program, the PL amortization/s, shall be deducted upon resumption of the borrower's monthly pension, without any penalty. However, any PL principal balance not paid within the loan term shall continue to incur additional interest at the rate of 10% per annum starting on the month following the end of the loan term.

Sample Illustration:

Loan Term: 24 months (Nov 2025 to Oct 2027)

Last posted payment: Aug 2027

Payment Date (through Pension Deduction): 01 Dec 2027

Monthly Amortization: Php5,015.63

Principal balance as of end of loan term, Oct 2027: Php9,907.26

Item	Amount	
Unpaid amortization/s – 2 months (Sep to Oct 2027)		Php10,031.26
Add: Additional Interest Due (10% per annum)		
Nov 2027 (Php9,907.26 x 10% x 1/12)	Php82.56	
Dec 2027 (Php9,907.26 x 10% x 1/12)	82.56	
Total Additional Interest Due		165.12
Total Amount Due (Unpaid Amortizations + Total Additional Interest Due)		Php10,196.38

8. Re-adjudication or adjustment of the borrower's benefit shall cause the termination of the PL. Hence, any PL balance shall become due and demandable and shall be deducted from the proceeds of the re-adjudicated benefit until fully paid.
9. The surviving spouse pensioner shall provide the SS Number of the deceased member and other information required by the SSS for their existing pension records to be validated and linked to their SS Number.
10. Any PL amortization overpayment shall be refunded to the borrower or their rightful beneficiary/ies who shall be notified accordingly. The rightful beneficiary/ies shall be those determined under Republic Act No. 11199 or the payee/s of the settled SS death benefit or legal heirs in the absence of the rightful beneficiary/ies.
11. Any suspected or confirmed fraudulent PL transaction shall be subject to the preventive and punitive actions against fraud in benefit and loan transactions set forth by the SSS under applicable guidelines, official orders, and other issuances.

V. REPEALING CLAUSE

Circular No. 2022-011 (Revised Guidelines on the SSS Pension Loan Program) is hereby repealed upon issuance of this Circular.

VI. EFFECTIVITY CLAUSE

This Circular shall take effect immediately following its publication in a newspaper of general circulation and the registration and filing of three (3) copies of the published Circular with the Office of the National Administrative Register.

Please be guided accordingly.


ROBERT JOSEPH MONTES DE CLARO
President and CEO 

23 SEP 2025

Date

(Policy – Loans)